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**Essays on Local Political Institutions in China**

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**Essays on Local Political Institutions in China**

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## **Abstract**

### **Essays on Local Political Institutions in China**

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Abstract: In this dissertation, I examine why authoritarian ruling parties strengthen political control and evaluate political consequences of strong ruling party control. I argue that authoritarian ruling parties have incentives to enhance local party control over legislatures to strengthen personnel control, respond to rising social unrests, and elevate political status of congresses. However, authoritarian ruling parties may confront a trade-off in their attempts to tightly control legislatures. Strong party control impedes bottom-up information from legislators and is limited to improve legislative oversight of executive power. Moreover, I estimate the political consequences of corruption monitoring institutions on the supply of politicians. I demonstrate that corruption monitoring pushes capable young elites away from competing government jobs. The effect is driven by two possible mechanisms: economic returns and career prospects. It provides evidence on the unintended negative effect of corruption monitoring institutions.

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## **Chapter 1: Introduction**

### **INTRODUCTION**

Political parties are widely adopted in nondemocracies to facilitate power sharing, co-opt ruling elites, and enhance elite cohesion (Gandhi 2008; Geddes 1999; Magaloni 2006; Svolik 2012). In particular, one-party regimes are the most common type of authoritarian rule (Magaloni and Kricheli 2010). Regimes with a single or a dominant party survive longer and grow faster than other types of authoritarian regimes (Magaloni 2008; Wright and Escribà-Folch 2012). However, strong ruling parties are scarcer than commonly expected. The majority of ruling parties cannot survive leadership transitions, a large number of them collapsed after the departure of founding leaders (Meng 2021).

The Chinese Communist Party (CCP) is an outlier, adaptive and resilient in waves of democratization and becoming more institutionalized in past decades (Gehlbach and Keefer 2011; Nathan 2003). Despite decentralized market reform, China's political system remains highly centralized (Xu 2011). The CCP still exerts tight control over civil society (Mattingly 2020), local state agents (Edin 2003), the economy in strategic sectors (Naughton 2017), and the Internet (King, Pan and Roberts 2013). In recent years, however, it has further strengthened ruling party control in various organs of rule (the government, the military, legislatures, and mass organizations) and initiated massive anti-corruption campaigns to enforce party rule and enhance corruption monitoring.

The overarching puzzle is this: Why does the ruling party strengthen political control given that it is such a strong ruling party? What are the intended and unintended political consequences of strong ruling party control?

In this dissertation I use subnational political institutions in China to examine why strong ruling party control occurs and evaluates how strong ruling party control shapes

local governance. The study of local political institutions may provide valuable insights for us to understand micro-level processes of authoritarian institutions, capture subnational authoritarian enclaves, and gain better internal validity (Gervasoni 2010; Pepinsky 2019). In China's multilevel government system, local political institutions exhibit large spatial and temporal variations, allowing me to capture institutional variations and evaluate sources and consequences of local political institutions.

In this dissertation, I identify two types of ruling party control in China's multilevel political system. First, political control over cadre appointments is an important instrument of ruling party control (Edin 2003; Svolik 2012). I employ the dual appointment of top party chiefs and congressional chairpersons to capture strong party control over local legislatures. Second, corruption crackdown in China is a vital instrument to strengthen the party and consolidate the power of dominant party leaders (Lorentzen and Lu 2018). To curb corruption, the party relies mainly on the concentration of power in the party disciplinary institutions (Yuen 2014). I thus use local corruption investigations of officials to capture party discipline of bureaucrats.

I argue that local social unrest may motivate the ruling party to strengthen control over legislatures, and that strong ruling party control is more likely to emerge in areas with weak political competition. In addition, the ruling party holds a firm grip on legislatures to empower legislative oversights and strengthen party personnel control of local state officials.

I demonstrate that authoritarian regimes may, however, confront a trade-off in their attempts to strengthen ruling party control. Strong ruling party control may yield some unintended political consequences. More specifically, I show that strong ruling party control may dampen bottom-up information flow and degrade the quality of decision-making, and have no salient consequence with regard to oversight of executive power. I



also indicate that strengthened corruption monitoring may reduce the supply of competent politicians at the entry level.

This dissertation can yield a number of contributions. First, I show how the varying strength of authoritarian institutions shapes local governance. Most researchers examine how the establishment of quasi-democratic institutions shape regime outcomes (e.g., Gandhi 2008; Magaloni 2008; Wright 2008). The existence of quasi-democratic institutions in nondemocracies may be a poor indicator of institutional strength and have limited variation across space and time. Few scholars have opened the black box of authoritarian institutions to examine how subtle forms of institutional contents shape political actors' beliefs and behaviors. I fill this gap by estimating the consequences of changing power distribution in subnational legislatures for legislators' behaviors, and by examining the impact of corruption monitoring on the supply of politicians at the entry level. This dissertation may provide unique evidence of the operations and functions of subnational authoritarian institutions.

Using China as a case, I seek to illustrate the logic and mechanisms of authoritarian political selection. Scholars pay considerable attention to the selection of dominant party and government leaders who are the most powerful political elites at various levels of political units in nondemocracies (e.g., Jia, Kudamatsu and Seim 2015; Landry, Lü and Duan 2018; Lee and Schuler 2020; Li and Zhou 2005; Shih et al. 2012). Deviating from previous studies, the dissertation focuses on the composition of legislature leaders at the prefectural level. I demonstrate that local legislative leaders are less competitive but have longer tenure and denser local embeddedness. To maintain political control and loyalty, legislative leaders are selected mainly from ruling party leaders rather than professional legislators. Moreover, scholars have focused mostly on political selection among government officials and examined the demand side of political selection. In China's one-

party regime, the pool of public employees matters for the competence of future politicians; yet the supply of politicians is underexamined. The dissertation fills this gap by showing how and why monitoring institutions may shape the supply of political candidates at the entry level.

Furthermore, the dissertation contributes to the study of power concentration in nondemocracies. The basic function of political institutions is to place restrictions on executive power and reduce uncertainties by establishing a stable structure for interaction (North and Weingast 1989). Authoritarian leaders confront weak institutional checks and power constraints; they can manipulate institutional rules and procedures to serve private interests and reduce unfavorable results. Personalization of power thus tends to emerge in weak institutional environment (Slater 2003). In recent years, the CCP has consolidated political control in various fields and political power has become more centralized in dominant party leaders (Shirk 2018). I evaluate the political consequences of power concentration for local politics. The empirical results demonstrate that power concentration of local party leaders may reduce the bottom-up information flow from legislators.

The dissertation is related to the study of local political institutions in China. Many scholars analyze the functions and operations of the National People's Congress in China (e.g., Lü, Liu and Li 2020; O'Brien 1988; Truex 2014). Local congresses are more vibrant than the national congress and play a vital role in China's political system (Manion 2015). A growing literature explores the role of local congresses in local politics (Cho 2008; Hou 2019; Xia 2007). This dissertation adds to this line of research in two ways. First, I collected a novel and comprehensive dataset of municipal congresses between 2002 and 2012. It is among the first attempts to capture local legislative activities such as submission of policy proposals, appointment of local state officials, and characteristics of legislative leaders. Second, this dissertation examines the relationship of ruling parties and local

congresses. It demonstrates that strong ruling party control may shape the functions of local congresses.

## **OVERVIEW OF CHAPTERS**

In the collection of three essays, I attempt to explore what motivates strong ruling party control and how strong ruling party control shapes local politics. I use local people's congresses and local corruption investigations as cases. The structure of this dissertation is as follows.

Chapter 2 illustrates the motivation of strong ruling party control over local legislatures and the composition of legislative leaders. I use the dual appointment of local party secretaries and chairpersons of congresses to identify strong ruling party control. I hypothesize that four possible factors may explain the adoption of dual appointment. First, the party adopts dual appointment to elevate the political status of congresses and to enhance their bargaining power in the local political arena. Second, the party uses dual appointment to strengthen party personnel control of state officials. Third, dual appointment is more likely to appear in areas with weak political competition. Fourth, social unrest could motivate the party to adopt dual appointment and enhance party control over society. I assembled a comprehensive dataset of 1,089 chairmen of congresses in more than 300 cities between 2002 and 2012, and tested parts of motivations of dual appointment. The empirical results show that social unrest may increase chances of adopting dual appointment, and dual appointment is more likely to emerge in cities with weak political competition. Moreover, compared with double-mandate chairmen, single-mandate chairmen are representative of more women and ethnic groups, older, and more likely to work in their hometowns; they have less education but enjoy longer tenures, and the current position is likely to be the last stop in their political career. These results

demonstrate that ruling party leaders tend to be more competent and less embedded in local politics than congressional chairmen of the same political rank.

Chapter 3 evaluates the political consequences of strong ruling party control for legislative politics. I argue that authoritarian ruling parties may confront a trade-off in their attempts to tightly control legislatures. The ruling party uses dual appointment to elevate the political status of congresses and strengthen ruling party control; however, dual appointment also facilitates power concentration of local party leaders. It impedes bottom-up information from legislators and is limited to improve legislative oversights of executive power. Empirically, I construct a novel dataset of legislative activities and leadership information in around 300 cities between 2002 and 2012. The results demonstrate that power concentration of party leaders significantly reduces the number of policy proposals from legislators. The reduction effect is more salient when party leaders have better career prospects. Legislators have more incentives to suppress their opinions in congresses when legislative leaders have better career prospects. A placebo test confirms that the effect is not driven by leaders' personalities or leadership styles. Moreover, I demonstrate that power concentration has no significant impact on oversight of executive power and suggest that strengthening ruling party control is inadequate to enhance the supervision of executive power. I draw a consistent conclusion after using two instrument variables to deal with endogeneity concerns.

In Chapter 4, I examine how and why corruption monitoring institutions shape the supply of politicians at the entry level. I combine three waves of the Chinese College Student Survey (CCSS) and corruption investigation data to examine the supply of potential politicians at the entry level. I demonstrate that corruption monitoring may fail to increase the supply of capable political candidates. Instead, the increase in corruption investigation pushes capable young elites away from seeking government positions. The

results are robust and consistent under different specifications. Specifically, I argue that this effect may be driven by two possible mechanisms: economic returns and career prospects. First, capable young elites have better prospects for economic returns in the private sector; thus, they incur a high opportunity cost if they serve in government. Corruption investigations may reduce the expected economic returns for government officials, undermining capable young elites' willingness and efforts to become government officials. The empirical results show that capable young elites expect a higher level of income, which lowers the likelihood of their seeking a political career. Second, corruption investigations may signal the uncertainties and risks of a political career, weakening capable young elites' expectations about their political career prospects. The empirical results demonstrate that the downfall of government leaders rather than bureaucrats reduces the likelihood that capable young elites compete for government jobs. This reduction effect is more pronounced in areas with a prosperous market economy.

## **Chapter 2: The Ruling Party and Local Congresses in China**

### **INTRODUCTION**

How do ruling parties control legislatures in authoritarian regimes? Why do authoritarian regimes maintain strong party control in legislatures? An emerging literature documents that authoritarian parties adopt various strategies to control legislative institutions. For instance, the ruling parties can control the nomination and selection of delegates (Malesky and Schuler 2010), structure delegates' policy proposals and policy coalitions in non-sensitive policy issues (Lü, Liu and Li 2020; Truex 2016), maintain strong agenda control within oversight hearings (Schuler 2020), and co-opt legislative leaders into the top ruling party organizations (Nelson and White 1982). These studies provide useful insights for us to understand authoritarian legislatures. However, they mainly focus on national congresses. We know little about how and why ruling parties control legislatures in local congresses.

Ruling party control over local congresses may have distinct logics. In contrast to national congresses, regime survival and longevity are not main concerns for local congresses in authoritarian regimes. There is more institutional variation using a comparative analysis of subnational jurisdictions, which have an advantage in understanding how institutional variations affect political outcomes (Pepinsky 2014). Studying political control over local legislative institutions may extend the scope of analysis beyond regime survival and economic growth. It may help us understand how and why strong ruling parties shape the allocation of power, manage unfavourable results in congresses, respond to local challenges, and incentivize bureaucracies. In addition, local congresses may be more vibrant than national congresses in nondemocracies.

Congressional representation is more likely to be achieved in local congresses, and local delegates are more closely linked to citizens (Manion 2015).

In this study, I use Chinese municipal congresses as a case to identify a new form of party control in local congresses: the dual appointment of Chinese Communist Party (CCP) party secretaries (the highest ranking officials in a prefecture) and chairmen of congresses.<sup>1</sup> Dual appointment is close to “dual mandate” that a politician simultaneously hold two positions. It allows local top party chiefs to directly hold chairmanships of local congresses. In addition, dual appointment exhibits regional and temporal variations. On average, 38.15% of the congressional chairmanships were held by party secretaries between 2002 and 2012.

I hypothesize that four possible factors may explain the adoption of dual appointment. First, the party adopts dual appointment to elevate the political status of congresses and enhance their bargaining power in the local political arena. Second, the party uses dual appointment to strengthen party personnel control of state officials. Third, dual appointment is more likely to appear in areas with weak political competition. Fourth, social unrest could motivate the party to adopt dual appointment and enhance party control over society. I assembled a comprehensive dataset of 1,089 chairmen of congresses in more than 300 cities between 2002 and 2012, and test parts of motivations of dual appointment. The basic regression results show that social unrest may increase chances of adopting dual appointment, and dual appointment is more likely to emerge in cities with weak political competition.

Moreover, I compare key characteristics of double mandate chairmen and single mandate chairmen. In definition, double mandate chairman refers to a local politician who

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<sup>1</sup> In this study, I use municipal, prefecture, and city interchangeably. All of them refer to the political units lie between provinces and counties in China. A prefecture usually controls several counties or urban districts.

simultaneously holds two positions: party secretary and congressional chairman. Single mandate chairman refers to a local politician who only holds the congressional chairmanship. Compared with double mandate chairmen, single mandate chairmen are representative of more women and ethnic groups, older, and more likely to work in their hometowns; they have attained less education but enjoy longer tenures, and the current position is likely to be the last stop of their political career.

This study contributes to the literature of subnational legislative institutions in authoritarian regimes. The study of authoritarian legislatures primarily focuses on the origins and consequences of establishing legislatures at national level. Scholars claim that autocrats adopt legislatures to facilitate power sharing, co-opt oppositional forces, gather information, and generate legitimacy (Gandhi 2008; Svobik 2012; Schuler 2020; Truex 2016), and legislatures may shape economic growth and regime survival (Jensen, Malesky and Weymouth 2014; Wright 2008; Wright and Escibà-Folch 2012). However, little is known about composition and routine operation of authoritarian legislatures at different levels of government. Deviating from macro-level dynamics, a rising literature examines the micro-level behaviors of political actors in authoritarian legislatures. In particular, many scholars examine motivations and behaviors of legislators. They delineate the structure of delegate incentives in policy coalition building (Lü, Liu and Li 2020), delegates' responsiveness and policy debates (Malesky and Schuler 2010; Schuler 2020), the motivations of delegates from the business sector in national and subnational legislatures (Hou 2019; Truex 2014), and the parochial representation of congress delegates (Manion 2015). Different from democracies, delegates in nondemocracies are more restrained by political leadership (Gandhi, Noble and Svobik 2020). This study extends this line of research by investigating the compositions and motivations of



legislative leaders in local congresses, and examining motivations of ruling parties to strengthen control over legislatures.<sup>2</sup>

Furthermore, this study contributes to the study of authoritarian political selection in two ways. First, as is widely assumed, nondemocracies are less likely to select competent political leaders than democracies (Besley and Reynal-Querol 2011). Regime leaders fear political challenges from capable subordinates (Ezrow and Frantz 2011), the role of competence in cadre promotions diminishes at higher levels of government (Landry, Lü and Duan 2018), and technical competence outweighs political competence in promotion (Lee and Schuler 2020). This study demonstrates that ruling party leaders are better educated than legislative leaders, and legislative positions tend to be the last stop of local politicians' political career in one-party regimes like China. Party leaders tend to be more competent than legislative leaders. Second, scholars pay considerable attention to the selection of dominant party and government leaders who are the most powerful political elites at various levels of political units in nondemocracies (Jia, Kudamatsu and Seim 2015; Landry, Lü and Duan 2018; Li and Zhou 2005; Shih et al. 2012; Yao and Zhang 2015). The selection of legislative leaders has been largely neglected. Different from democracies where legislative leaders are selected from legislators, legislative leadership in authoritarian regimes is an instrument for ruling parties to reward loyal cadres (Reuter and Turovsky 2014). This study demonstrates that legislative leaders are mainly selected from ruling party leaders rather than professional legislators, ruling parties exert tight control over legislative leaderships to deal with rising social unrest, strengthen personnel appointment, and elevate political status of congresses.

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<sup>2</sup> In this study, local congresses refer to subnational congresses including provincial, prefectural, and county people's congresses in China.

## **THE PARTY AND CONGRESSES IN CHINA**

### **People's Congress in China**

Conventional wisdom claims that authoritarian legislatures are merely ceremonial or window-dressing. But a growing literature demonstrates that authoritarian legislatures can sustain authoritarian rule by facilitating power sharing (Svolik 2012), constraining confiscatory behavior (Wright 2008), divide opposition parties (Magaloni 2006), or incorporate oppositional forces (Gandhi and Przeworski 2007).

In China's context, legislative institutions exhibit an evolving role in Chinese political system. In the Mao era, especially during the Cultural Revolution (1966-1976), the National People's Congress (NPC) was just a forum or cheerleader for party rule rather than an organization (O'Brien 1988). Standing committees of local congresses didn't emerge until 1979. People's congresses have expanded power on lawmaking, oversight, and representation and become institutionalized since the reform era, and are not merely ceremonial or a forum (Gasper 1982; O'Brien 1990a; Xia 2007). In particular, legislatures play an active role at both national and local levels. For instance, NPC has bounded representation that reveals citizen grievances but prevents destabilizing political activism (Truex 2016), and provides a platform for regime insiders to build policy coalitions and set policy agenda (Lü, Liu and Li 2020). At the local level, local congresses have constrained representation in response to upward flows of information from citizens (Manion 2015), and identify public dissatisfaction before an explosive event occurs (Cho 2008). Local congresses become an active political force in the political arena.

However, Chinese local congresses are not professional congresses. Delegates of local congresses usually meet once per year; these infrequent meetings make difficult for delegates to regularly exercise legislative power. In addition, concurrent seats are common,

which means that delegates can sit concurrently at different levels of congresses. For instance, a delegate can serve as a legislator at the national, provincial, prefecture, and county congresses at the same time. Only delegates at township and county levels are elected in party controlled popular elections. County delegates then vote for prefectural delegates, prefectural delegates elect provincial delegates, and provincial delegates vote for national delegates. These delegates have weak political accountability to their constituencies. Most delegates are not professional politicians in congresses, in that a large number of them have full-time jobs in other sectors and are not paid for work in congresses (Manion 2015). A lot of delegates concurrently work in party organizations, governments, state owned enterprises (SOE), and private sectors. Legislators sometimes ratify and discuss policies that have already worked out by a small circle of party and government officials (Manion 2014). Moreover, delegates have motivations other than representation to seek office in local congresses. For instance, entrepreneurs have incentives to hold local congress seats in order to deter exploitation and protect property rights (Hou 2019). Legislators from government and party organizations have stronger incentives of career advancements than public representation.

Meanwhile, the standing committees of local congresses carry out much of the work in the broader chamber. Starting from 1979, the standing committees of local people's congresses were established at and above the county level. Compared with delegates in congresses, members of standing committees, which are smaller in size, meet frequently. Figure 2.1 depicts the distribution of annual meeting frequency of standing committees in MPCs. On average, members of standing committees meet 7.6 times in a year; about 85% of municipal standing committees meet between six and nine times. Members of standing committees play a dominant role in leading the election of delegates at the same level, making laws, appointing or removing state officials, and supervising state power at normal

times as well as meeting at least once every two months. In addition, standing committees have fewer members than local congresses. According to the *Organic Law*, the size of municipal standing committee shall be between 13 to 35 members and for populous cities cannot exceed 45. The average number of delegates at municipal congresses is 369 in my dataset.<sup>3</sup> The smaller size of standing committee enables legislators to deliberate and coordinate legislative activities.

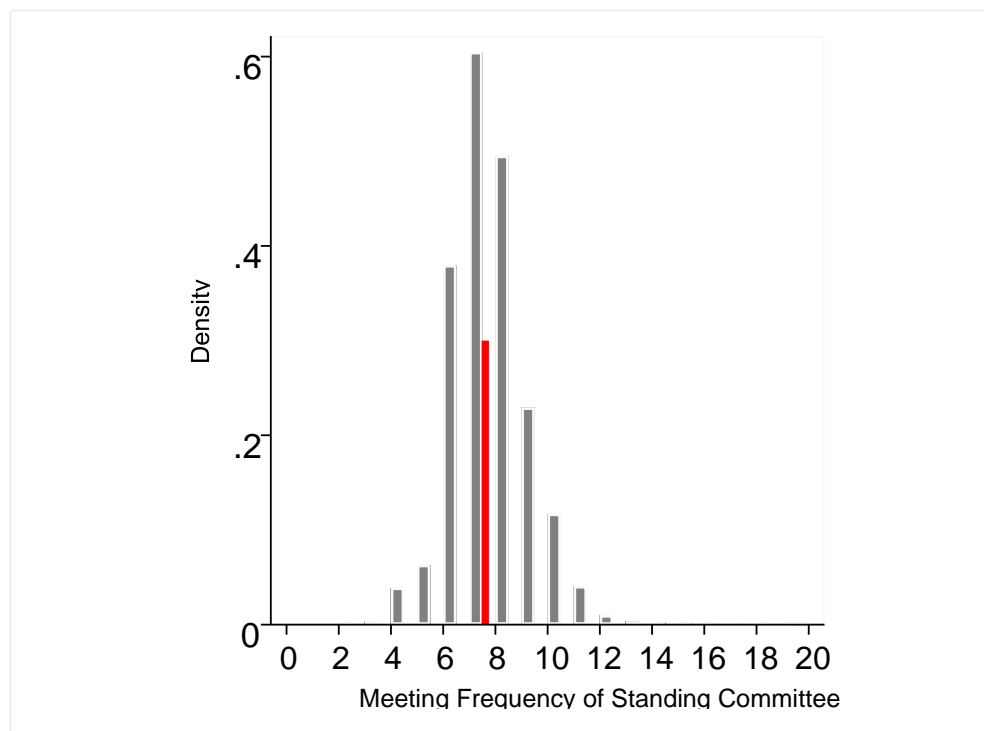


Figure 2.1: Meeting Frequency of Standing Committee in MPC

Notes: The figure plots the distribution of meeting frequency for members of standing committee in each year between 2002 and 2012. The red line indicates the average frequency, the mean value of meeting frequency is 7.61. Around 0.5% of prefectures had meeting frequencies larger than 20. The figure doesn't include these observations.

<sup>3</sup> The yearbooks of most cities reported how many delegates attended the annual conference; the number is close to but lower than the actual number of delegates. The average number is calculated based on the number of delegates attending annual conferences between 2002 and 2012.

## Chairman of Local Congresses

The chairman of the local congress is directly in charge of the standing committee and summons its conferences, and is responsible for the routine operation of congress.<sup>4</sup> In China's political hierarchy system, chairmen of local congresses have the same administrative rank as top party and government leaders in the same political units. For instance, at the prefecture level, chairmen of municipal congresses are at Bureau Director rank (*Zheng Ting ji*) and have the same political ranking as party secretaries and mayors. However, chairmen of congresses are politically weak. Positions of legislative leaders are used to reward loyal officials who may lack required competence for the "main" game in China (Hillman 2010). Some studies even treat the move from party secretaries to legislative leaders as retirement, which signals the loss of power in the political system (Li and Zhou 2005; Yao and Zhang 2015).

The party holds tight control over the selection of chairmen in congresses. Party control over the appointment of officials is fundamental to China's economic development and political stability in the reform era (Landry 2008; Xu 2011), and the chairmanship of people's congresses is no exception. According to *the Organic Law*,<sup>5</sup> the chairman is nominated by the presidium of deputies, which is elected by deputies and mainly includes top party and government officials, leaders of non-Communist parties, and congressional leaders. Then congressional delegates vote for the chairman candidates. In practice, the party, especially upper-level party committees, decides and nominates the candidates of chairman, and then local congressional delegates rubberstamp the appointment. The election of chairmen is usually a single-candidate election.

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<sup>4</sup> The official title of chairman is chairman of the standing committee of the people's congresses.

<sup>5</sup> The Organic Law refers to the Organic Law of the People's Republic of China in the Local People's Congresses and Local People's Governments (hereafter Organic Law). It was released in 1979, and amended in 1982, 1986, 1995, 2004, and 2015. For the full version of the law before 2002, see [www.npc.gov.cn/wxzl/gongbao/2000-12/06/content\\_5004478.htm](http://www.npc.gov.cn/wxzl/gongbao/2000-12/06/content_5004478.htm)

## **The Ruling Party and Congresses**

The party and congresses have exhibited a dynamic relationship over the decades. Though congresses rarely challenge the party and government decisions (O'brien 1994), party control over congresses has changed over time. In the Mao era, legislative institutions were established but had limited influence, and experienced stagnation and regression (O'brien 1990b). Congresses were ceremonial or symbolic.

In the post-Mao period the party's top leaders reflected the disastrous consequences of the Cultural Revolution. Congresses reemerged and became more institutionalized to constrain cults of personality and expand their functions. In a famous 1980 speech entitled "On the Reform of the System of Party and State Leadership", Deng Xiaoping pointed out that the major problems of the leadership of the party and the state are "bureaucracy, overconcentration of power, patriarchal methods, life tenure in leading posts and privileges of various kinds" (Deng 1994). In addition, he asserted that holding two or more posts concurrently was improper for leaders and that having too many deputy positions led to poor efficiency and facilitated bureaucracy formalism (Deng 1994). Before 1989 reformers were devoted to solving the problem of power concentration and promoting the separation of party and state. For instance, the report of the 13th National Congresses of the CCP claimed to gradually repeal party committees in government organizations and clarify boundaries between the party and state.<sup>6</sup>

Political movements in 1989 and the collapse of communist political institutions in the Soviet Union sounded an alarm for the party and prompted a dramatic policy change. The party strengthened police and security forces to maintain social stability (Wang and Minzner 2015), and more patriotic education sites were built to indoctrinate young people

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<sup>6</sup> For the report of the 13th National Congresses of the CCP, see [http://www.gov.cn/test/2007-08/29/content\\_730445.htm](http://www.gov.cn/test/2007-08/29/content_730445.htm)

(Liu and Ma 2018). And the party enhanced its control over congresses at different levels. In 1990 Jiang Zemin, then the top party leader, asserted that the people's congress was the institution led by the party and that only under party leadership could people's congresses function well.<sup>7</sup> At provincial level, a growing number of provincial party secretaries began to serve as chairpersons of provincial people's congresses since 1992 (Xia 2007, 3). By 2003, 24 of 31 provinces adopted the dual appointment of provincial party secretaries and congress chairmen.

At present, the party has several strategies to control congresses. For instance, the party controls the delegates ratio of CCP members and is influential in selecting legislators (O'brien 1990b). Communist party members occupy more than half of delegate seats, and a large proportion of those are party and government officials. Moreover, the party selects and nominates candidates for official of state positions, and then submits the recommended candidates to the congresses for voting. In this way, the party controls the appointment of officials in governments, the courts, and the procuracy.

Another typical party strategy for controlling congresses is the dual appointment: the appointment of the party secretary to the chairmanship of local congresses. The dual appointment enables the party to be directly involved in the operation of local congresses. In terms of dual appointment, party control over congresses tends to be weaker at the lower level of subnational units. Most provinces adopts dual appointment, and the proportion diminishes at prefecture and county level. In specific, at the provincial level, the party control over congresses has been strengthened over time. In 1997, the dual appointment of the party secretary and congress chairman existed in only seven provinces. In 2002, the central party committee required that all provincial party secretaries should hold the chairs

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<sup>7</sup> Central Chinese Communist Party Literature Research Office, ed. "Selection of Important Documents since the Thirteenth Party Congress". Volume 2. Beijing: People's Press, 1991.

of the congresses except for members of the Political Bureau. Since 2003, party secretaries have been the chairmen of provincial congresses in approximately 24 provinces or 77.42% of all provincial units in mainland China.<sup>8</sup> At the prefecture level, the dual appointment was adopted in 38.15% of prefectures between 2002 and 2012, but the percentage has declined since 2009. No systematic data are available for dual appointments at the county level. Scholars who have sampled parts of counties show that approximately 15% of them adopted dual appointment in 2015 (Qiu and Song 2016). The differences in dual appointments suggest that direct party control over legislatures is weaker at lower levels, and that congresses may have more autonomy in these local political units.

#### MOTIVATIONS OF DUAL APPOINTMENT

In this study I select the municipal (or prefecture) people's congress as a typical case and examine the underlying motivations for the party to adopt dual appointment. China is a regionally decentralized authoritarian regime (Xu 2011), the liveliest congresses appear in the localities below (Manion 2015, 16). Prefectures lie between provinces and counties, and prefecture governments are a critical component of China's multilevel government system. The study of municipal congresses may provide valuable insights for us to understand the operation of subnational legislatures in a one-party regime. Moreover, prefectures are the lowest political units that systematically record annual legislative activities in publicly available yearbooks, which makes it possible to capture institutional variations of subnational legislatures across space and time.

I hypothesize four possible factors motivate the CCP to name local party secretaries the chairmen of local congresses. First, the dual appointment could elevate the political

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<sup>8</sup> In Beijing, Tianjin, Shanghai, Chongqing, Guangdong, and Xinjiang, party secretaries are members of the Political Bureau. In those areas, chairmanships of congresses are held by separate leaders. In Tibet, the chairmanship of the congress is held by a separate ethnic leader.



status of congresses and enhance the bargaining power of the congresses in local political arena. Second, dual appointment is most likely for units that experience less political competition. Third, the dual appointment may strengthen party control of personnel and allows party secretaries to be involved in all procedures of cadre appointment. Fourth, concerns about social stability may incentivize the party to adopt dual appointment and increase party control over society.

### **Political Status and Dual Appointment**

In this section, I discuss the logic that the party may have incentives to elevate the political status of congresses by adopting dual appointment. Numerous scholars demonstrate that authoritarian regimes have incentives to adopt binding institutions to maintain authoritarian rule (e.g., Gandhi 2008; Svobik 2012; Wright 2008). China is no exception. Supervision of governments is one of the key functions of congresses. Political ranking within the party matters for the authority of leaders and organizations under one-party rule. As chief party leaders, party secretaries can directly hold the chairmanships of congresses, empowering local congresses and bolstering congresses' bargaining power in the political system.

Local congresses are responsible for supervising governments and judicial organs. Based on the law governing the supervision of local congresses,<sup>9</sup> congressional standing committees is responsible for supervising government, the courts, and the procuratorate at the same level. In particular, congressional standing committees supervise governments by supervising and approving budgets, hearing and discussion plans for social and economic

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<sup>9</sup> The law refers to the "Law of the People's Republic of China on the Supervision of Standing Committees of the People's Congresses at Various Levels." The law, passed in 2006, has been in effect since 2007. For the English version of the law, see <http://www.lawinfochina.com/display.aspx?id=5421&lib=law>.

development, and inspecting law enforcement. Mayors' work reports must be discussed by all delegates and voted on at the annual conference of congresses.

The political status of chairmen in local congresses matters for government supervision. The political status within the party of mayors concurrently holding the post of vice party secretary is just below that of the party secretaries. Both mayors and executive vice mayors occupy two positions in the standing committee of the communist party, whose members are the most powerful leaders and control massive resources at the local level. On paper, chairmen of local congresses are ranked second in the local political arena, but single mandate chairmen are not members of the standing committees of the communist party. They possess limited bargaining power and leverage in the allocation of resources and have inadequate authority to monitor governments. Instead, local congresses rely on governments to provide resources such as operation funds and offices, which may weaken the legislative supervision of governments.

Dual appointments could elevate the political status of local congresses and empower the chairmen of the congresses. In democracies like France, dual mandates emerge when parties cannot provide adequate resources, and dual mandates can weaken partisan attachment and cohesion (Cirone 2017; Costa and Kerrouche 2009). In China's one party system, dual appointment may bring more resources and increase ruling party control. The ruling party widely uses dual appointment to allocate more policy attention and resources in urgent or important issues. For instance, confronting challenges rising from society, the party incorporates local public security chiefs into the top party elites team, allowing them to have larger bargaining power and obtain more public security funds (Wang 2014). Similarly, party secretaries directly holding the chairmanship of congresses elevate the political status of congresses and enable them to have more bargaining power in the supervision of governments. In addition, when party secretaries hold the

chairmanship of congresses, turning the party's will into law and involvement in the agenda setting of legislative activities are easier.

### **Personnel Control and Dual Appointment**

In this subsection I propose that dual appointments could enhance party control over the appointment and removal of state officials. Under the dual appointment, party secretaries take part in all procedures involved in cadre appointment: from candidate recommendation to congress election. It allows the ruling party to avoid election losses and effectively appoint preferred candidates as state officials and strengthens the power of party secretaries over personnel, giving them leverage over governments.

On paper, state officials should be elected and approved by local congresses in China.<sup>10</sup> State officials constitute three groups: congressional officials, government officials, and judicial officials. In addition to the appointment of congressional officials, municipal people's congresses are responsible for the election of main government and judicial officials. Government positions include the mayor, vice mayor, secretary general of the government, and directors of government branches. Judicial positions include the chief procurator of the municipal people's procuratorate, the president of the intermediate people's court, and other judicial officials.

Nevertheless, election to the local congresses is only one of the procedures involved in cadre appointment. In China, the ruling party has the dominant authority in the nomenklatura system to appoint, promote, and remove officials (Manion 1985). Regulations for the Selection and Appointment of Leading Party and Government Cadres

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<sup>10</sup> In reports of local congresses, the term "state personnel" (*guojia jiguan gongzuo ren yuan*) is used.

(hereafter Regulations) includes key principles and procedures of cadre appointment.<sup>11</sup> The first and foremost principle of the Regulations is that the party is responsible for administering the appointment and selection of cadres.

In practice, the appointment and removal of officials follows several procedures. Figure 2.2 illustrates the primary procedures. The first is democratic recommendation. To determine lists of candidates, a democratic process of recommendation is essential. Recommendation involves several persons: members of party committees, main members of the standing committee of congresses, government and Chinese People's Political Consultative Conference (CPPCC) committee members, and other leaders at the next lower level. The second step is appraisal.<sup>12</sup> Selected candidates are assessed by the party organization department. Similarly, the scope of individuals whose opinions are solicited include party, legislative, government, and CPPCC leaders as well as leading members of the candidates' work institutions. The third procedure is deliberation, which still takes place among leading members of the party, congress, government, and CPPCC. The fourth is discussion and decision. After collective discussion the party committee, especially the standing party committee, casts a vote and decides the appointment or removal of an official. The final candidates are determined through this procedure. To appoint or remove state officials, the final step is approval by the local congresses. The party committees submit the recommended candidates to the congresses, and then members of congressional

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<sup>11</sup> Regulations, issued by the Organization Department of the Communist Party of China Central Committee, serves as a guide for central and local party organizations to manage cadre appointments. Since 2000, three versions of Regulations for the Selection and Appointment of Leading Party and Government Cadres were written. The first, released in 2002, was effective until 2014. The second was released in 2014 and included adjustments and revisions. The third version was released in 2019. The purpose of the current study is to examine legislative activities between 2002 and 2012; thus, I rely primarily on the 2002 version to depict personnel procedures and requirements. The English version of the Regulation can be found at [www.china.org.cn/english/congress/226530.htm](http://www.china.org.cn/english/congress/226530.htm)

<sup>12</sup> Based on Regulations, the recommendation and nomination of the mayor is determined by the provincial party committees. Other state officials are nominated by the prefecture party committee.

standing committees vote for the recommended candidates. Candidates must receive more than half of votes in congresses before legal appointment or removal.

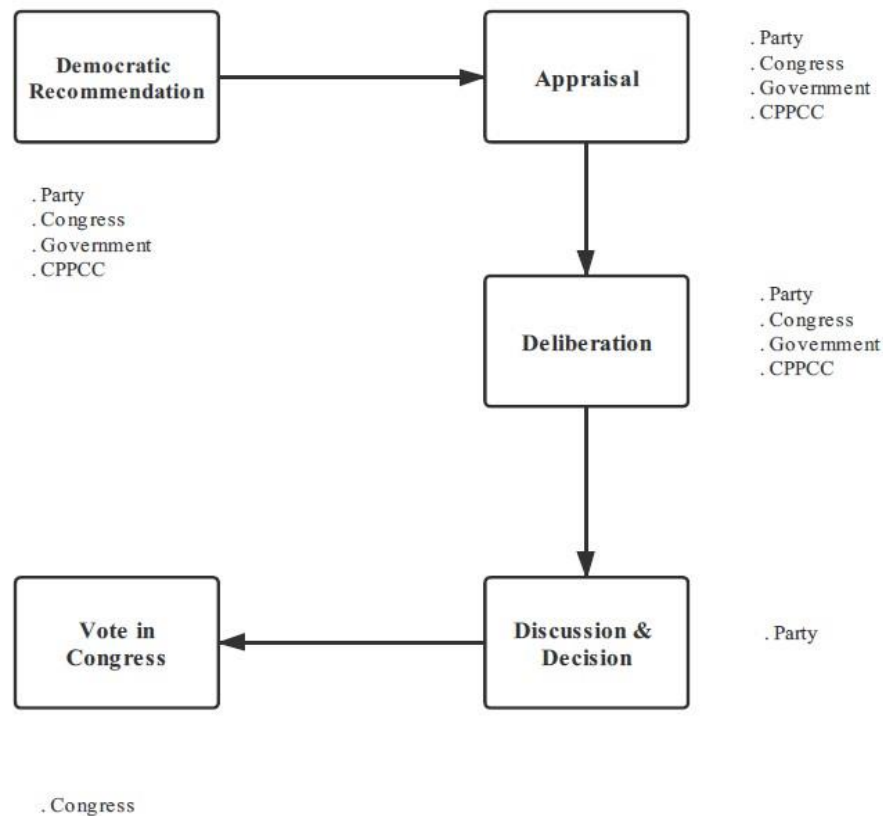


Figure 2.2: The Appointment and Removal Procedure of State Officials

Notes: The figure is based on the “*Regulation on the Selection and Appointment of the Party and Government Leaders*”. The box indicates a specific procedure. The bullet point around each box shows the key actors involving in this procedure.

These procedures imply that the party is the key actor in the first four procedures. As the chief party leader, party secretaries are influential and pivotal in the recommendation and appraisal of candidates as well as in deliberations and decisions. In the fifth procedure, the vote of the local congresses on the recommended candidates tends

to be ceremonial; however, under some circumstances, party-recommended candidates fail to secure the necessary votes in the local congresses and are hence ineligible for legal appointment. For instance, Manion (2008) shows that 2.08% of party-nominated candidates between 1997 and 1999 lost in the elections of municipal congresses. Although the losses of party-nominated candidates are rare, the failure of election in local congresses could weaken the authority of party committees and signal the unpopularity of candidates, who cannot win support even in a highly controlled election.

Moreover, leaders of local congresses could prolong the procedures of cadre appointment. Even in strong authoritarian regimes like China, divisions within the ruling coalition could generate legislative gridlock (Truex 2020). As shown in Figure 2.2, the main leaders of local congresses can express their opinions in the nomination and assessment of candidates. In fact, their concerns and disputes could prolong the procedures of appointment and removal of state officials. In short, party-preferred candidates confront obstacles to legal and effective appointment.

The dual appointment of party secretaries and chairmen of local congresses could strengthen party control over the appointment and removal of state officials. When party secretaries directly hold the chairs of local congresses, they take part in all the procedures involved in the appointment and removal of state officials. Even in the voting procedures of local congresses, they could coordinate members of standing committees in local congresses and pass their preferred candidates. In this way, the dual appointment empowers party secretaries and makes them more influential in cadre management and enhances the party control of personnel.

## **Political Competition and Dual Appointment**

In this subsection I hypothesize that political competition may reduce the chance of dual appointment. Dual appointment reduces the number of positions at Bureau Director rank and shrinks local officials' probability of promotion. The problem becomes more severe in areas with intense interjurisdiction competition.

In authoritarian regimes, leaders share spoils and power with allies to gain support and loyalty (Geddes et al. 2018). Promoting local officials is an important channel for leaders to build patronage networks (Jiang 2018), and incentivizes them to implement policy preferences from above (Huang 1996). However, official positions are limited. The number of posts declines as administrative rank increases.

In China, local officials confront fierce interjurisdiction competition. Despite vice provincial cities, Bureau Director rank (Zheng Ting ji) is the highest political ranking in each city. There are four positions at this rank in each prefecture: party secretaries, mayors, chairmen of congresses, and chairmen of CPPCC. When party secretaries hold the chairmanships of congresses, it reduces one position of Bureau Director rank. As a result, dual appointment could reduce the chances of promotion for officials such as vice party secretaries and vice mayors.

Political competition is more intense when the number of officials accountable to the same principal is larger, and the number of counties in a city can be the proxy for the intensity of interjurisdiction political competition (Lü and Landry 2014). When prefecture-level governments control more counties, it fuels intense political competition. In China's multilevel political system, local leaders' career advancements are controlled by upper-level governments. Their expected chance of promotion is lower when more county party secretaries and heads are eligible to compete for higher positions within the same prefecture.

Dual appointment reduces local political elites' chances of career advancements in areas with fierce political competition. In particular, dual appointment reduces one senior position at the Bureau Director rank, and generates a ripple effect on cadre appointments. It lowers the chances of promotion for local vice mayors or vice party secretaries, and then reduces one vacant position at the vice Bureau Director rank, county party secretaries are thus less likely to be promoted to the vice Bureau Director rank under dual appointment. This problem deteriorates in regions with intense political competition.

To maintain elites' loyalty, dual appointment may become less likely in areas with more intense political competition. In authoritarian regimes, limit access to spoils could fuel elite defections (Reuter and Szakonyi 2019). Despite material benefits, power positions are important sources of spoils. Providing access to higher power positions can maintain elite loyalty and incentivize local elites to implement policies from above. The separation of party secretaries and chairmen of congresses could increase one more position at Bureau Director rank. It incentivizes local officials to signal competence and loyalty. As a result, dual appointment may be less likely to emerge in regions with fierce political competition.

### **Social Control and Dual Appointment**

In this section I evaluate the hypothesis the social stability concern that may drive the adoption of dual appointment. Compared with party secretaries, single mandate chairmen have dense local networks, which are likely to be captured by local interests. They may have weak career incentives to improve local governance and monitor governments. When local cities experience more social unrest, the ruling party may adopt dual appointment to strengthen the power of party secretaries and enhance party control over the society.



First, single mandate chairmen may have a greater chance of being captured by local interests. Between 2002 and 2012, a total of 46.2% of single mandate chairmen worked in the same city where they were born and raised. In China's political system, typical political leaders are those who enter politics at a young age and climb the administrative ladder from below (Landry, Lü and Duan 2018). The overlap of hometown and working places implies that a large proportion of those single mandate chairmen spend their entire political career in their hometowns. They tend to have dense social ties and are embedded in local interests. Under decentralized institutional arrangements, leaders with strong local linkages could be captured by local interests and engender widespread political dissatisfaction (Mattingly 2016). Single mandate chairmen may be more likely to be captured by local interests and form alliances with local political and economic elites, which can result in negative consequences for local governance. In particular, local congresses have the function of lawmaking, and local-born leaders may formalize local interests into law and policies. For parties intervening local legislative politics becomes difficult.

In contrast, party secretaries are more likely to be rotated and have weak local linkages. The Regulations for the Selection and Appointment of Leading Party and Government Cadres includes the rule of avoidance, which clearly states that party secretaries and mayors "shall not normally serve in the place where he or she grew up." As discussed in a later section, party secretaries have a shorter tenure and are more frequently transferred than single mandate chairmen. They have weak linkages, and tend to be outsiders in local cities. They heavily rely on upper-level party committees to obtain resources and support. When local politicians confront strong local political rivals, they have incentives to employ public expenditure as a patronage strategy to win local support

(Lü and Liu 2019). As a result, dual appointments may reduce local elite capture in congresses and strengthen control of congresses by party organizations from above.

Moreover, party secretaries have strong career incentives to maintain social stability and improve local governance. A congressional chairmanship is usually the last stop in a single mandate chairman's political career. She or he is likely to retire after the current position and has weak career incentives because of marginal chances to be promoted. Party secretaries, however, fall under the "target responsibility system." Both social stability and economic performance are key indicators in their assessments, yet economic performance matters little for career advancement among prefecture party leaders (Landry, Lü and Duan 2018). Political stability becomes more salient and important. The occurrence of large-scale mass unrest could be a "black mark" on the political career of local leaders (Wang 2014). They could be blamed by higher level officials if a large number of discontented citizens petition and appeal to the provincial and central government (O'Brien 2006). The optimal strategy for local leaders is, therefore, to identify social grievances before they erupt. A number of studies document that threats of collective action push local officials to respond to citizens and provide constituency services (Chen, Pan and Xu 2016; Distelhorst and Hou 2017). Local party leaders have strong incentives to improve local governance and avoid social unrest.

Direct control of local congresses allows party secretaries to have better control of local politics for their own political power. Local legislatures could offer a formal and peaceful channel to identify public dissatisfaction before an explosive event occurs (Cho 2008) and reveals information about the strength of public preferences (Malesky and Schuler 2011; Manion 2015; Truex 2016). Local congresses usually have petition offices, which are responsible for receiving and acting on petitions from local citizens. These offices allow party leaders to have an extra channel to collect information about local

grievances. Local legislators also submit policy proposals, comments, and suggestions to the congresses. The dual appointment of party and legislative positions enables party secretaries to collect more local information from below and improve governance.

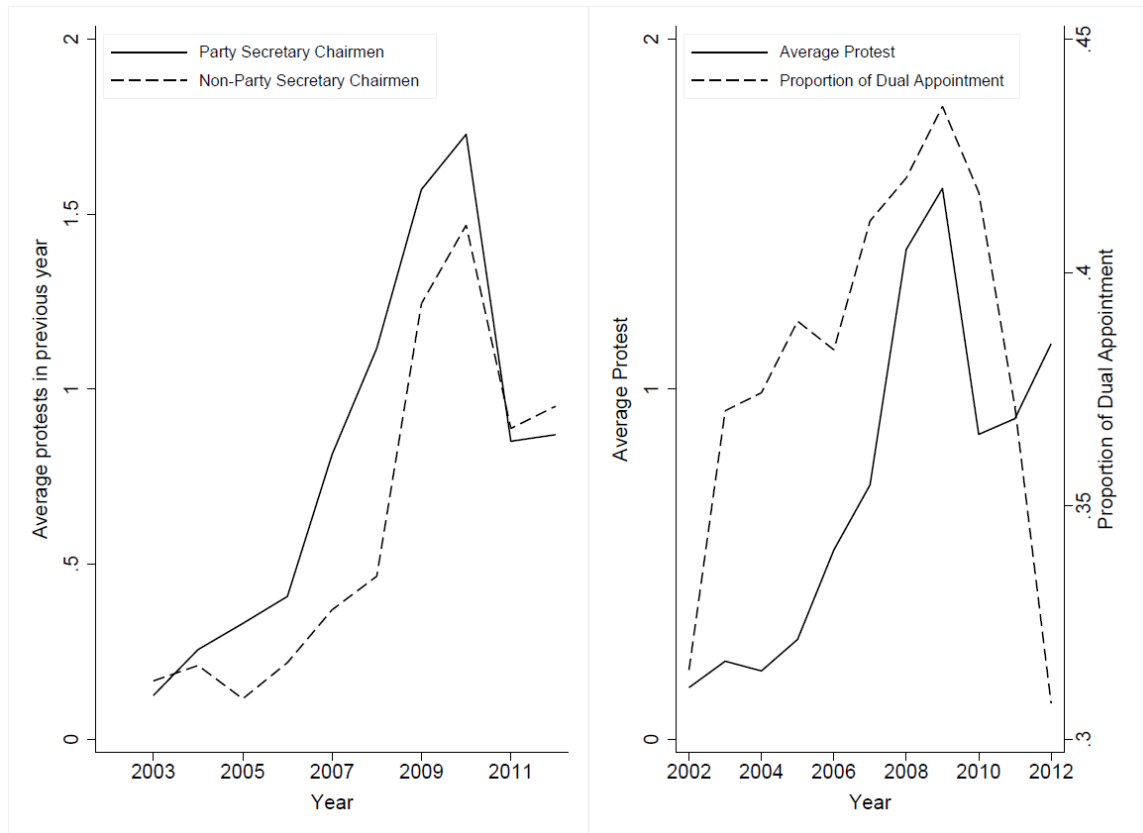


Figure 2.3: Dual Appointment and Social Stability

Notes: The left figure compares the average number of protests in party-secretary chairmen and non-party secretary chairmen in the previous year. The right figures plots the proportion of dual appointment and average protests.

Some evidence suggests that social stability concerns may motivate the adoption of dual appointment at the prefectural level. Figure 2.3 illustrates social unrest and dual

appointment.<sup>13</sup> The figure on the left compares the average number of protests in cities with double mandate chairmen and single mandate chairmen during the previous year. The implication is that cities tend to have more protests before party secretaries hold the congressional chairmanships than those with single mandate chairmen. The figure on the right plots the average city-level protests and the proportion of dual appointments between 2002 and 2012. It shows that social unrest and dual appointments tend toward similar trends. Local social unrest kept surging and reached its peak in 2009 after the 2008 global financial crisis. Similarly, the proportion of dual appointments was the highest in 2009, after which both social unrest and dual appointment declined. Figure 3 only shows illustrative links of social unrest and dual appointments. In the empirical section, I will test the argument in detail.

## DATA

In this study, I collect detailed biographic information on chairmen of municipal congresses and identify various legislative activities. One key challenge in studying authoritarian legislatures is accessing and collecting data, due to the secrecy of authoritarian institutions (Gandhi, Noble and Svolik 2020). But China keeps good records of local legislative activities and leaders, allowing me to unearth rich information of legislative politics.

This study covers the period between 2002 and 2012, chosen for two reasons. First, systematic data are available for this period. Many cities published no yearbooks until early 2000.<sup>14</sup> Obtaining data on legislative leaders before 2000 is therefore difficult. It is

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<sup>13</sup> The social unrest data is from the Social Unrest in China (SUIC) dataset constructed by Ong (2015).

<sup>14</sup> For instance, most prefectures in Tibet had no city yearbooks before 2010. Lhasa, the capital of Tibet, published its first yearbook in 2012, so the sample excludes Tibet in the analysis.

also important to note that it is difficult also acquire detailed biographic information of single mandate chairmen of local congresses than that of party secretaries. Second, local power dynamics could be affected by the leadership styles of top leaders. After 2012, China strengthened ruling party control over the state, and power became more concentrated in party leaders (Shirk 2018), possibly changing local leaders' career incentives and altering local power dynamics. The massive anti-corruption campaign initiated in 2013 could have altered local leaders' political behaviors. To mitigate this concern, I restrict the analysis between 2002 and 2012.

Biographic information on chairmen was collected from multiple sources. First, I rely on each province's yearbook to obtain names of prefectural party secretaries and chairmen of people's congresses. In the year of political turnover, I confirm the party and legislative leaders who stayed in the position for more than six months or the longest time. Second, individual characteristics of chairmen in recent years were obtained from government websites, city yearbooks, and media reports. In the early periods, the information of most chairmen is not available in government websites or encyclopedia. Thus, I also relied on local gazetteers, biographies of historical communist party personages, and other historical materials to get information on chairmen. Figure B1 shows an example of how the biographic information of one chairman was collected from party organizational materials.

Legislative variables come from each city's annual yearbook. In China, most prefectures published a yearbook for each year that summarizes local political, economic, and social developments of the previous year. Each yearbook contains a chapter on the local people's congress, recording various legislative activities occurring in the previous year. Officials in the local people's congress are responsible for writing the chapter. Yearbooks contain the most comprehensive and systematic records of legislative activities

for each year. To identify legislative activities, such as the number of legislators, policy proposals submitted by legislators, and the number of personnel appointment and removal, I examined the legislative chapters for each city between 2002 and 2012 and obtained relevant variables. To date, I have successfully collected policy proposal information from 2,440 city yearbooks. Figure B2 shows an example of how to identify legislative variables in a city's yearbook.



Figure 2.4: Most Frequent Words of MPC Reports (2002-2012)

Using all text materials in city yearbooks, I plot the word cloud of keywords in Figure 2.4 after removing punctuation, blanks, numbers, and stop words. The most frequent words include “work”, “report”, “chairman”, “delegates”, “development”, “construction”, and “government”. Figure 2.5 indicates the word clouds by year. These words show that chairmen and delegates play an important role in the operation of congresses, and economic development was a critical priority in local congresses between 2002 and 2012. To

compare keywords across years, Figure 2.6 presents the frequency of several key words across years. In general, while the number of occurrences of both “delegates” and “chairman” rises during the 2002-2012 period, that of “delegates” increases more rapidly than “chairman”. “Party committee” had the largest frequency in 2005, and then declined, “supervision” reached the highest point in 2007.



Figure 2.5: Most Frequent Words of MPC Reports by Year

## DYNAMIC TRENDS OF DUAL APPOINTMENT

In this section I illustrate the dynamic trends of dual appointment at the municipal level. Dual appointment has substantial temporal and spatial variations. Figure 2.7 plots

the trend of the dual appointment of the party secretary and chairman at MPCs. On average, 38.15% of the chairmanships were held by party secretaries between 2002 and 2012. Beginning in 2002, more party secretaries became the chairmen of local congresses, the percentage gradually increasing from 31.48% to 43.56% in 2009. The trend then reversed after 2009 and the proportion of dual appointments fell. In 2012, 30.77% of prefectures had dual appointments of party secretaries and chairmen of congresses, the lowest point. The percentage declined by 12.79% over the previous three years.

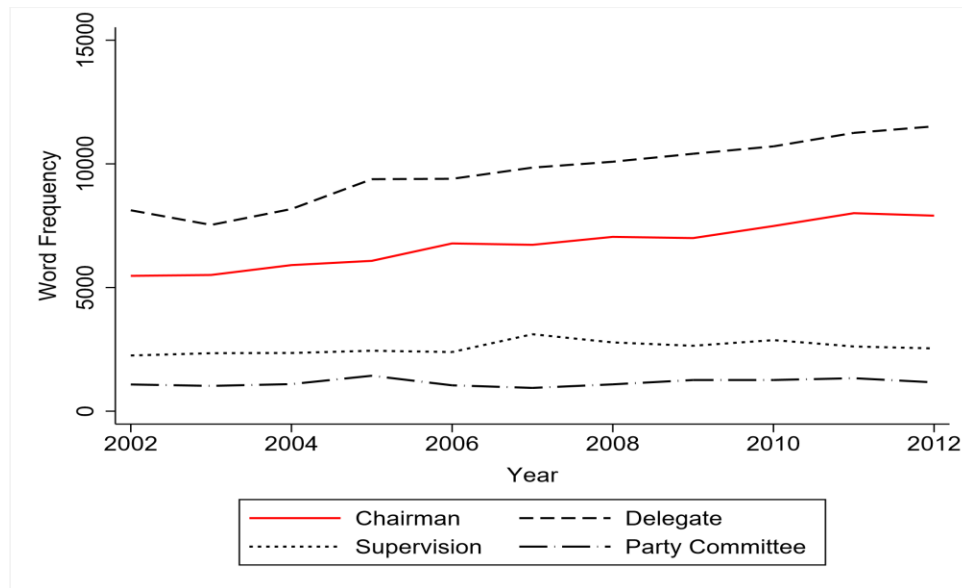


Figure 2.6: Word Frequency of Key Words

Notes: “Delegates” is the total word frequency of “delegates” and “people’s congress delegates”. “Supervision” refers to jiandu in Chines. “Party committee” refers to municipal party committee.

The dual appointments exhibit substantial spatial variations. Figure 2.8 presents the spatial variations of dual appointments in 2002 and 2012. Most prefectures in western China had no dual appointment. A large of number are ethnic autonomous regions, where



party secretaries and congressional chairmen are held by different ethnic groups. Eastern cities tend to have higher proportion of dual appointment.

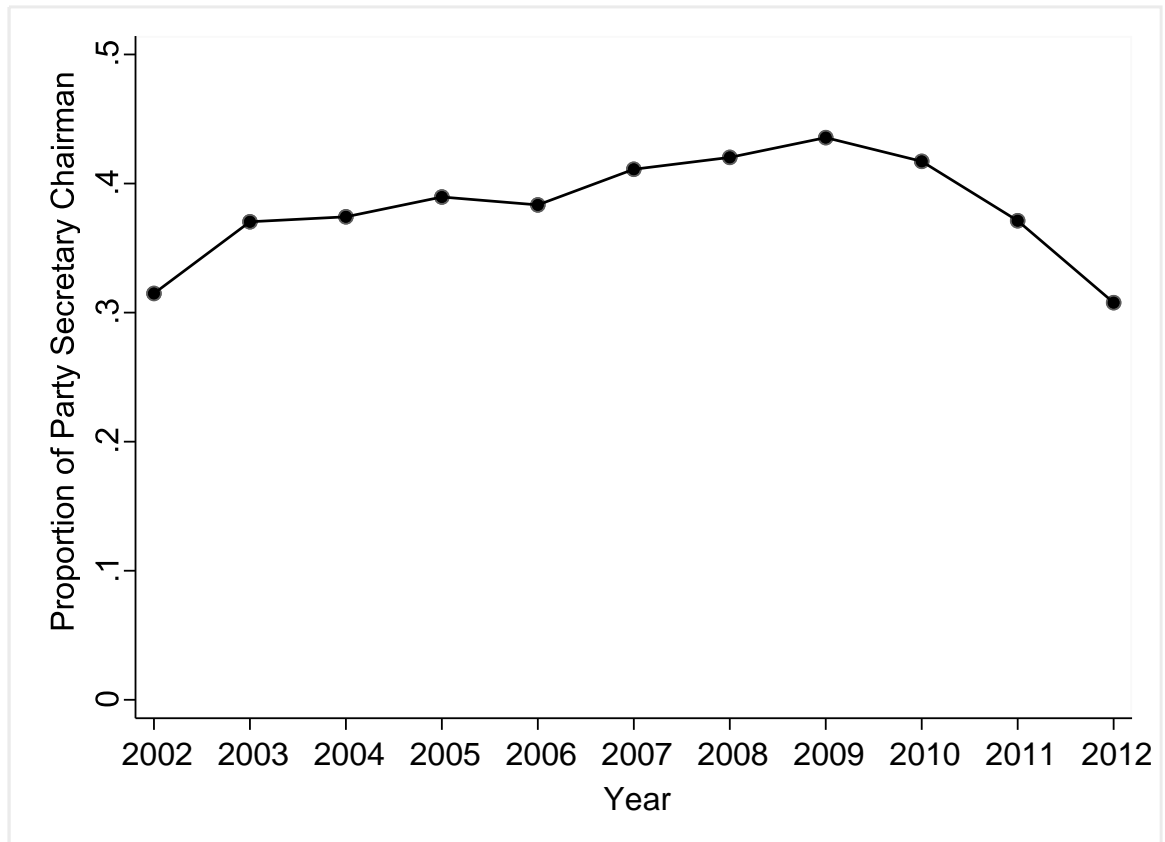
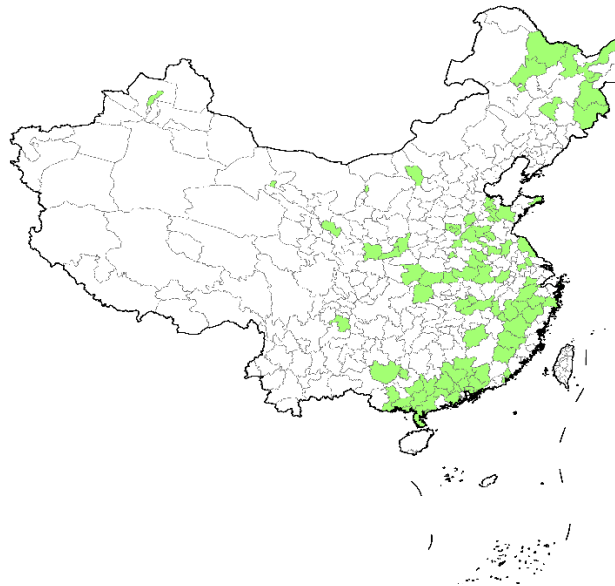


Figure 2.7: The Trend of Dual Appointment in MPC

Figure 2.9 demonstrates the trend of dual appoint by province. Three main patterns emerge. First, some provinces had no dual appointments throughout the entire period. These provinces include Hebei, Shanxi, Hunan, Guizhou, Yunnan, and Qinghai, where the positions of secretaries and congressional chairmen are held by different leaders. In Jilin, Henan, and Liaoning, dual appointments did not exist in most prefectures and years.

Second, many provinces had a high percentage of dual appointments. Around 80% of chairmanships were held by party secretaries in provinces like Guangdong, Shandong,



(a) 2002



(b) 2012

Figure 2.8: Distribution of Dual Appointment in 2002 and 2012

Anhui, and Guangxi. The percentage is comparatively stable across the periods. Similarly, about half of prefectures in Jiangsu and Zhejiang adopted dual appointments.

Furthermore, several provinces experienced a sharp change in dual appointment before and after 2009. Take Sichuan province as an example. Only 4.76% of its prefectures had dual appointments in 2002, but the percentage continued to surge, reaching 80.95% in 2009, when the party committee of Sichuan province issued a document on strengthening the work of the people's congress. The document mentioned that chairmanships of congresses in prefectures and counties can be held by party secretaries or other proper leaders. Prefectures gradually adopted the separation of party secretaries and congress chairmen when a prefecture began a new five-year term political cycle. The percentage of dual appointments then began to decline and fell to zero in 2012. Similarly, in provinces including Fujian, Jiangxi, Shaanxi, Gansu, and Inner Mongolia, the proportion of dual appointments noticeably dropped after 2009.

One possible reason is that 2009 was the 30th anniversary of establishing local congressional standing committees in China. Leaders of National People's Congresses advocated to improve local legislative institutions on lawmaking and oversight of executive power, and optimize compositions of congressional standing committees.<sup>15</sup> To enhance local legislative institutions, many provinces gradually reduced dual appointments at prefectural level.

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<sup>15</sup> The link of the speech by the vice chairman of NPC, see [www.npc.gov.cn/zgrdw/npc/xinwen/rdyw/jhls/2009-12/22/content\\_1531094.htm](http://www.npc.gov.cn/zgrdw/npc/xinwen/rdyw/jhls/2009-12/22/content_1531094.htm)

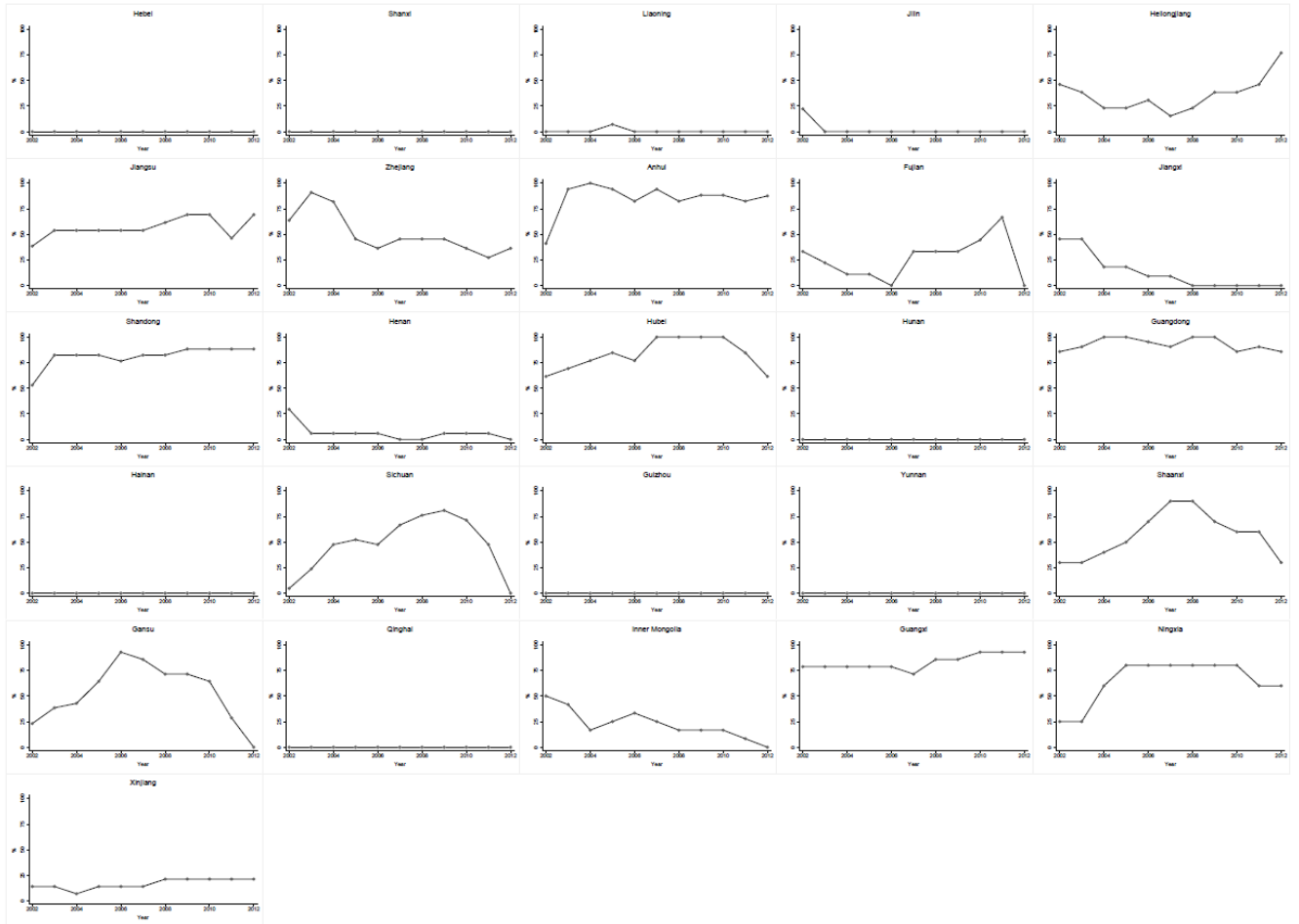


Figure 2.9: The Trend of Dual Appointment by Province

WHO BECOMES CHAIRMAN OF MPC?

## Characteristics of Chairmen

In this section, I describe the characteristics of chairmen of MPCs and compare these traits in double mandate chairmen and single mandate chairmen. In summary, typical chairmen of municipal congresses are around 56, male, and Han; they stay in office for approximately three years, have completed at least a college education, and are former or current party officials. Compared with double mandate chairmen, single mandate chairmen tend to be older, representative of more female and ethnic groups, and more likely to work in their hometowns; they have attained less education and enjoy longer tenures; furthermore, the current position is likely to be the last stop of their political career. The following describes these differences in greater detail.

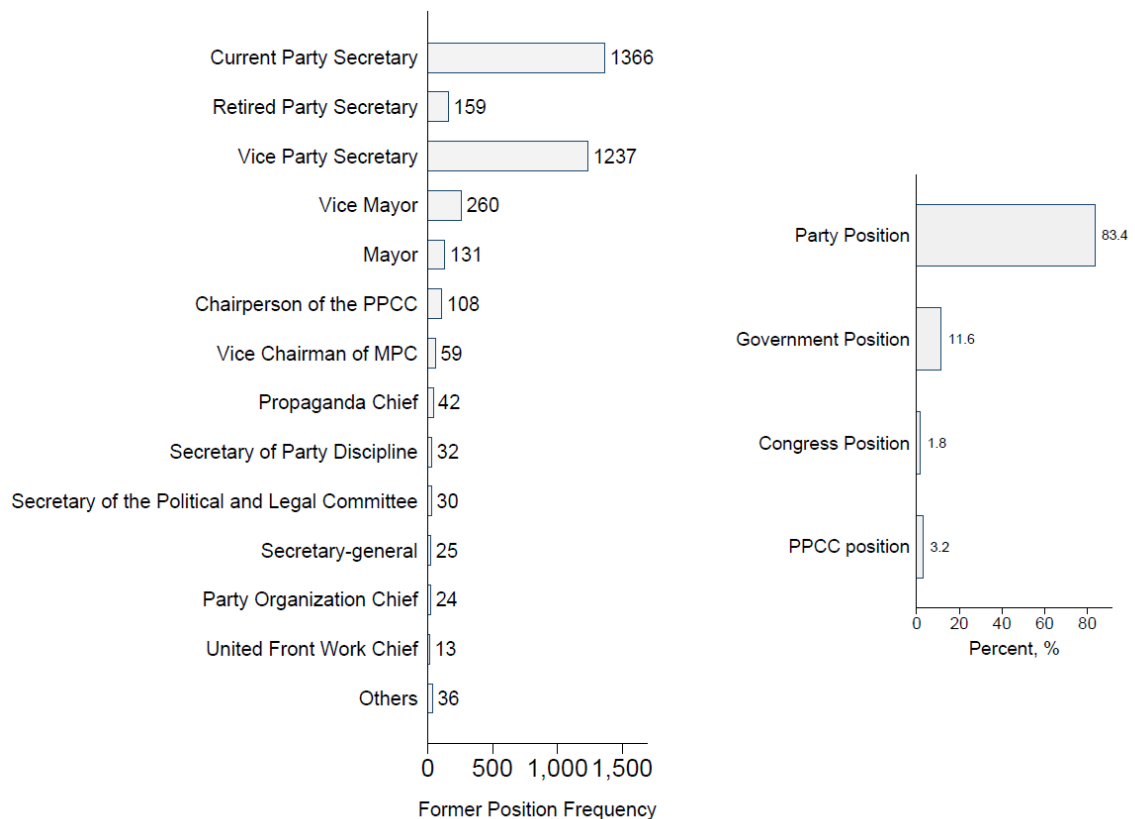


Figure 2.10: Last Position of Chairman in MPC

Notes: The left figure indicates the formal position of chairman of MPC, the right figure indicates the position distribution in different agencies. PPCC refers to People's Political Consultative Conference.

**The Last Positions of Chairmen.** The party maintains a tight control over the appointment of chairmen in local congresses. Party officials are the primary source of legislative leaders. Figure 2.10 depicts the last position of chairmen in MPCs.<sup>16</sup> The figure

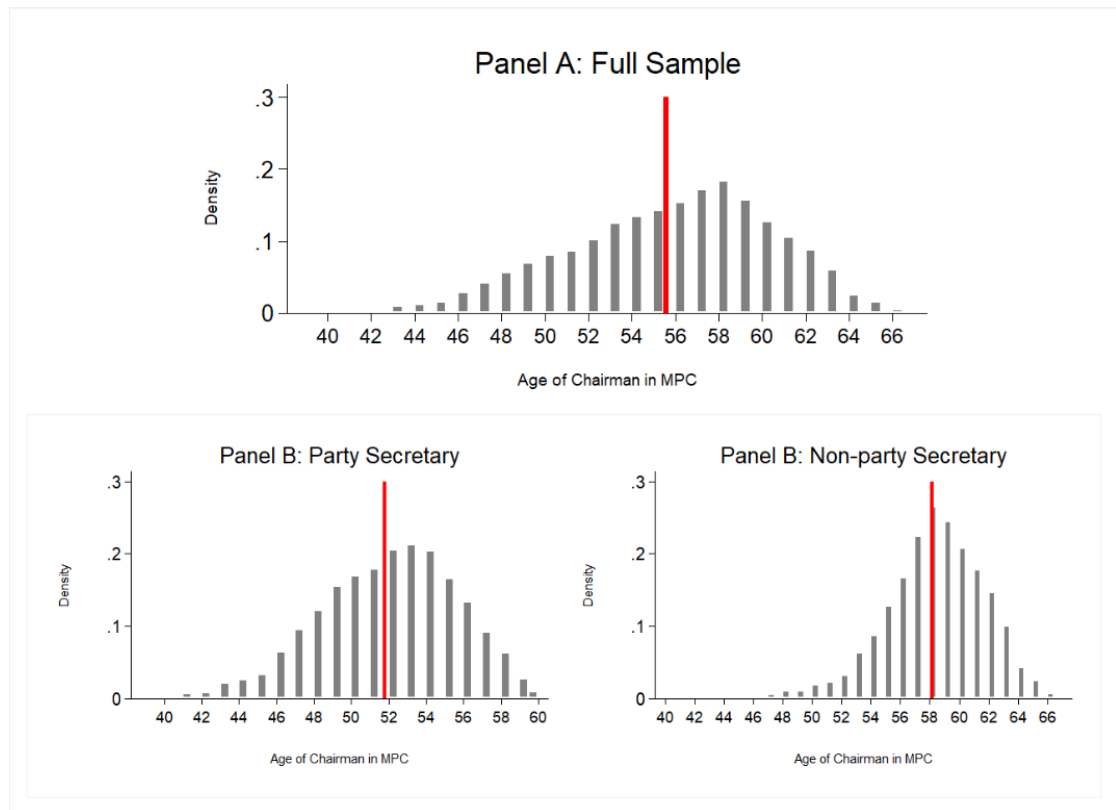


Figure 2.11: Age Distribution of Chairman in MPC

Notes: The red line indicates the mean value in each sample. The average age of chairman is, respectively, 55.56, 51.79, 58.14. I conduct a simple t-test and compare the mean age between two

<sup>16</sup> The dual appointment as chairman of a MPC and party secretary is a critical dimension of this study. To compare other positions of chairmen, I coded the last position of dual appointments as the current party secretary.

groups. The t-statistic is 50.98 and shows that age of non-party secretary chairmen is significantly larger than the age of party-secretary chairmen.

on the left demonstrates detailed last positions for chairmen before moving to their current position. These positions include party secretary, vice party secretary, mayor, vice mayor, vice chairman of the local congress, and other party and government positions. In the figure on the right, I categorize these positions into four types. The results reveal that 83.4% of chairmen were selected from party officials, 11.6% of them were former government officials, and only 1.8% of chairmen were directly promoted from the position of vice chairmen of the local congress. Most chairmen were standing committee members in the local party before moving to their current position.

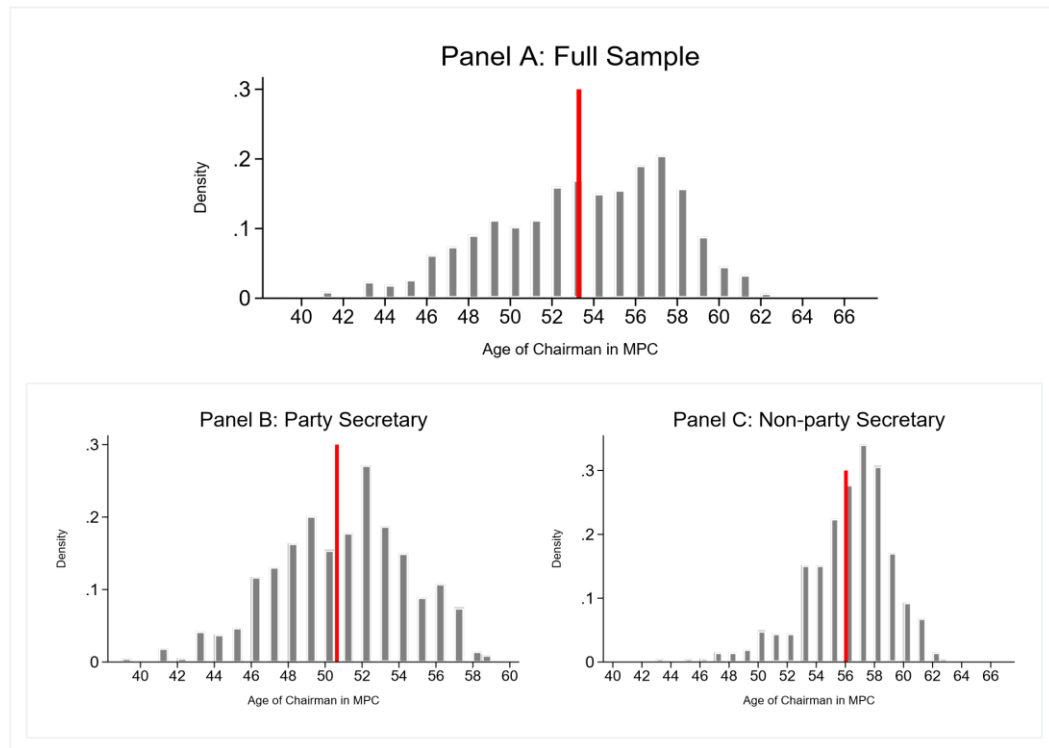


Figure 2.12: Age Distribution of First Year in Office for Chairman in MPC

Notes: The red line indicates the mean value in each sample. The average age of chairman is, respectively, 53.29, 50.64, and 56.04 . I conduct a simple t-test and compare the mean age between two groups. The t-statistic is 16.76 and shows that non-party secretary chairmen is significantly older than party-secretary chairmen in their first year in office.

**Age.** In general, single mandate chairmen are older. Panel A of Figure 2.11 plots the age distribution of all chairmen in the sample. The average age of chairman is 55.56. A large age spread ranges from 39 to 67. Panel B shows the age distribution of chairmen who are party secretaries at the same time. The mean value of age is 51.79; the maximum age is 60. Panel C shows the age distribution of single mandate chairmen. The average age is 58.17, and age varies from 43 to 67.

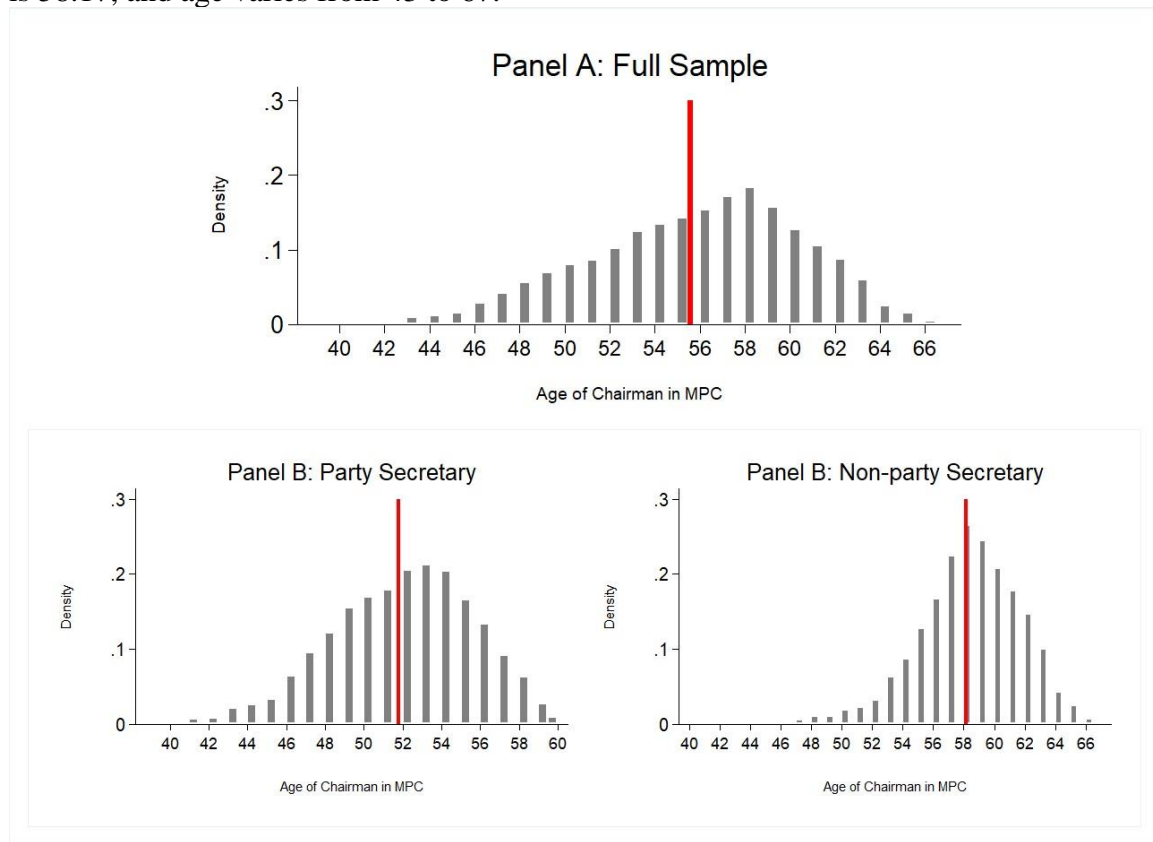


Figure 2.13: Age Distribution of Last Year in Office for Chairman in MPC

Notes: The red line indicates the mean value in each sample. The average age of chairman is, respectively, 56.58, 52.70, and 59.97.



Holding the position of chairmen extends a leader's political career. Local congresses tend to become the last stop for single mandate chairmen in their political careers. Except for several vice-provincial cities,<sup>17</sup> all city party secretaries and chairmen of people's congresses have the rank of Bureau Director (*Zheng Tingji*). They are usually

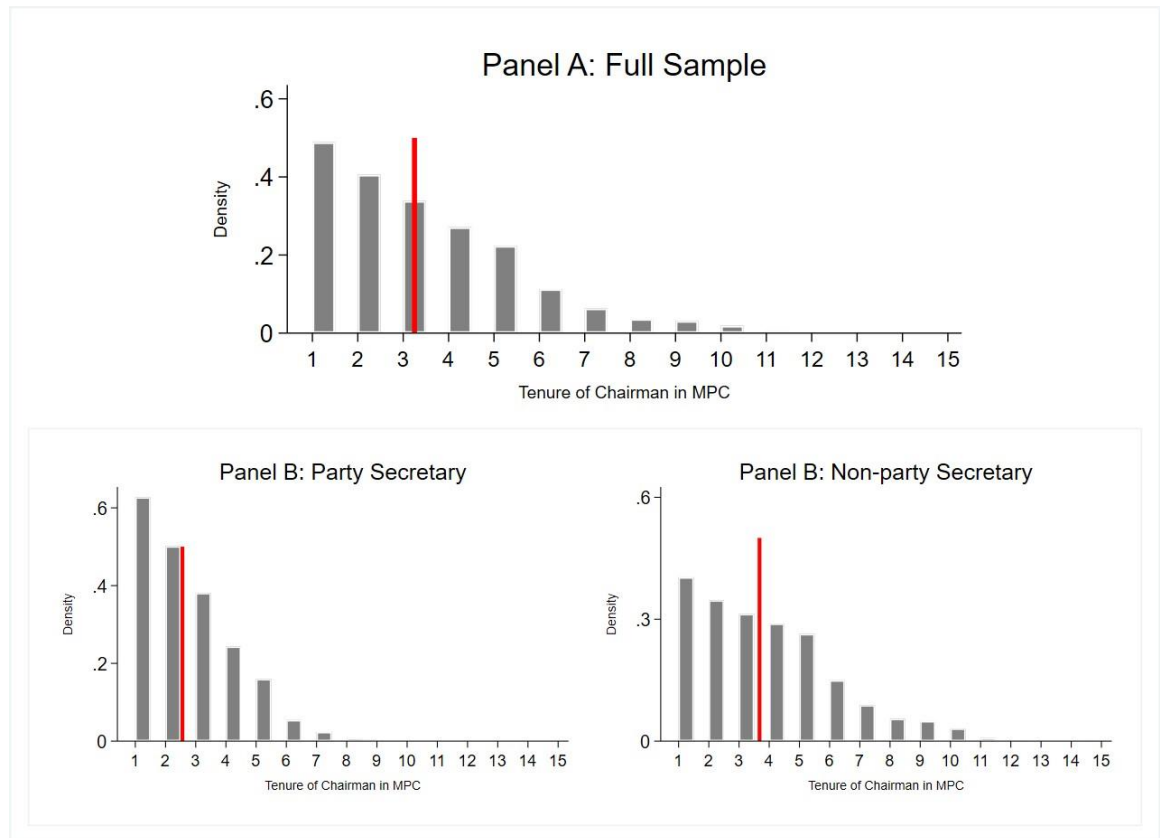


Figure 2.14: Tenure Distribution of Chairman in MPC

Notes: The red line indicates the mean value in each sample. The average tenure of chairman is, respectively, 3.249, 2.559, 3.679. I conduct a simple t-test and compare the mean tenure between two groups. The t-statistic is 15.83 and shows that average tenure of non-party secretary chairmen is significantly larger than that of party-secretary chairmen.

<sup>17</sup> Of the fifteen vice-provincial cities in China, most of them are capitals of the provinces. They include Changchun, Chengdu, Dalian, Guangzhou, Hangzhou, Harbin, Ji'nan, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Wuhan, Xi'an, and Xiamen. In these cities, the party secretaries and chairmen of people's congresses hold the rank of deputy minister.

ineligible for promotion to the political rank of vice-minister after the age of 55. Some studies of Chinese local politics even treat the move from party secretaries to legislative leaders as retirement, which signals the loss of power in the political system (Li and Zhou 2005; Yao and Zhang 2015). Figure 2.12 indicates the distribution of age when leaders are in their first year in office. On average, chairmen of congresses are 53.29 in the first year of office; double mandate chairmen are 50.64, and single mandate chairmen are 56.04. It shows that single mandate chairmen reach the age ceiling for promotion. Local congresses tend to be the last stop of their political career.

In the sample all party secretaries left their position before 60; however, 23.24% of single mandate chairmen remain in office after 60.<sup>18</sup> This partly explains why some local leaders retire from the most prestigious party secretary positions and are willing to hold chairmanships of local congresses. In the sample 4.5% of chairmen are retired party secretaries. Figure 2.13 plots the age distribution of chairmen when they were in the last year of their office. Panel A shows that chairmen left office at around age 56.58. Panel B implies that double mandate chairmen were 52.70 in the last year of dual appointment. Panel C shows the age distribution of single mandate chairmen; the average age in the last year was 59.97. More than 75% of them were of an age equal to or greater than 58. Half of them reached 60 in their last year. Party secretaries still have prospects to be promoted or transferred to other positions, but single mandate chairmen tend to retire.

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<sup>18</sup> The percentage excludes vice-provincial level cities.

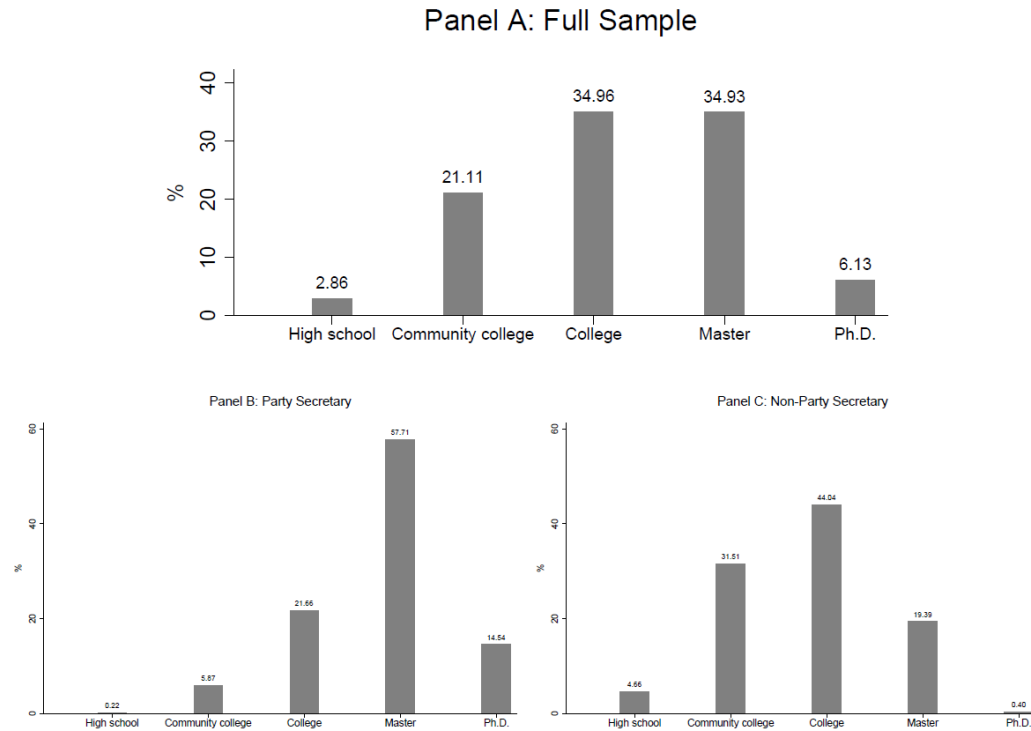


Figure 2.15: Education distribution of Chairman in MPC

Notes: I conduct a simple t-test and compare the mean education level between two groups. The t-statistic is -36.17 and shows that non-party secretary chairmen is significantly less educated than party-secretary chairmen.

**Length of Tenure.** Single mandate chairmen have longer tenures. Panel A of Figure 2.14 shows the overall tenure distribution of chairmen. On average, their tenure was 3.249 years between 2002 and 2012. Panel B indicates the tenure distribution of chairmen holding the position of party secretary at the same time with 56.36% of the double mandate chairmen staying in office for one or two years. The average tenure is 2.559 years; however, Panel C indicates that single mandate chairmen have longer tenures. The average tenure is 3.679 years, which is 1.12 years longer than that of the party secretary, whose tenure is more evenly distributed.

**Education.** Double mandate chairmen are better educated than single mandate chairmen. Figure 2.15 depicts the distribution of educational attainment over five levels. Panel A shows that around 70% of chairmen have at least a college degree or above. Panel B indicates that around 94% of double mandate chairmen have at least a college degree or above, and more than 72% of them have a master's or Ph.D. degree. Panel C shows that 63% of single mandate chairmen have at least a college education or above. These figures demonstrate that single mandate chairmen are less educated than double mandate chairmen for two possible reasons. First, educational level could signal an individual's innate ability. Party secretaries may be more competent than the nonparty secretaries. The party has incentives to select competent leaders for key political positions. During the reform era, the standards for party recruitment highlighted the "Four Transformations": to recruit younger, better educated, more vocationally qualified, and revolutionized government officials. Officials with strong capacity may have a greater chance to be promoted to party leaders. Second, many local leaders earned on-the-job graduate degrees. A considerable proportion of them came from party-sponsored schools. Party secretaries have better career prospects and stronger incentives to earn graduate degrees and enhance their resumes. Meanwhile, the party sponsors adult education to train loyal and promising officials in the party-sponsored schools (Li and Walder 2001). Detailed education records of most leaders are unavailable, making identifying whether they obtained full-time or part-time degrees difficult. Both explanations may coexist in China's political system.

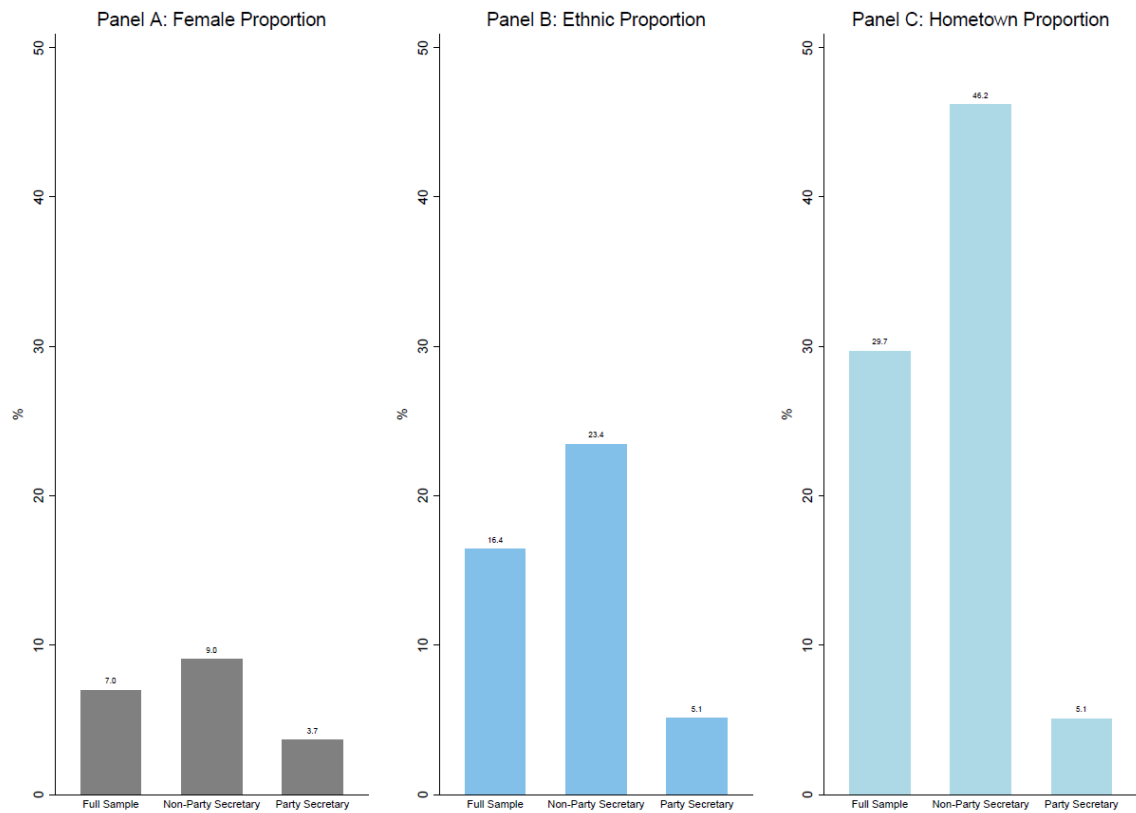


Figure 2.16: Other Characteristics of Chairman in MPC

Notes: Panel A shows the proportion of female chairmen in MPC. The t-statistic for male is -6.17 and indicates that non-party secretary chairmen are less male dominated. Panel B indicates the proportion of ethnic (non-Han) chairmen. The t-statistic for ethnicity is 14.78 and shows that non-party secretary chairmen is more likely to be ethnic minorities than party secretary chairmen. Panel C shows the proportion of chairmen working in their hometown. The t-statistic for home city is 28.62 and shows that non-party secre

**Gender.** Panel A of Figure 2.16 indicates the proportion of female chairpersons in local congresses. Only 7% of chairmen are female in the full sample. The percentage is even lower for double mandate chairmen. Women constitute 9% of single mandate chairmen. The results reveal that women are seriously underrepresented and account for a higher proportion among the single mandate chairmen.

**Ethnicity.** Panel B of Figure 2.16 depicts the proportion of ethnic (non-Han) chairmen. Ethnic minorities account for 8.49% of the population of mainland China. In the full sample, the proportion of ethnic minorities is 16.4%. Ethnic minorities constitute 23.4% of single mandate chairmen, yet only 5.1% of double mandate chairmen are from ethnic minorities. In the ethnic autonomous prefectures, the mayor and chairmen of people's congresses are usually members of the main ethnic minority group, and the party secretaries are Han. This pattern explains why the chairmen of local congresses are better represented by local ethnic groups, but party secretaries are underrepresented.

**Hometown.** Social ties, especially hometown connections, could shape the functions of bureaucracies. For instance, auditors find less questionable government funds in their hometowns (Chu et al. Forthcoming), and native officials improve hometown infrastructures after gaining more power (Do, Nguyen and Tran 2017). In this study, I identify whether chairmen of local congresses work in their home cities. Those working in their hometowns may have strong family ties and political networks. Panel C of Figure 2.16 shows the proportion of the chairmen working in their hometowns. Nearly 30% of them work in their home cities in the full sample. The percentage reaches 46.2% of single mandate chairmen, but only 5.1% of double mandate chairmen work in their hometowns. In China, the dominant local party and government leaders are frequently rotated to avoid preoccupation with local interests. For instance, 58.81% of prefecture party secretaries were transferred between 1999 and 2007 (Landry, Lü and Duan 2018), yet many chairmen of local congresses worked in their hometown for their entire political careers. This is more evident among single mandate chairmen.

## Basic Regression Results

To systematically examine how these individual characteristics shape the dual appointment of party and legislative leaders, I conduct a simple binary logistic regression in Table 2.1 and add the individual variables noted above in a framework. The dependent variable is dual appointment in local congresses. It is a dummy variable and equal to 1 if the party secretary in a city holds the chair of the people's congress in a specific year, otherwise 0. Column (1) indicates that age, gender, ethnic, education, and hometown are significantly linked to the probability of dual appointment. It implies that younger, male, Han, more educated, and nonlocal leaders are more likely to be simultaneously appointed as party secretaries and congress chairmen. These results are consistent with the descriptive analysis.

I also test some motivations of dual appointment. First, I use the number of protest to proxy local social stability and examine whether stability concerns motivates dual appointments. In columns (2) of Table 2.1, the number of protests is positively and significantly correlated with the probability of dual appointment at the 1% level. It indicates that social stability concerns may enhance party control over the legislatures. The party secretaries are more likely to hold the chairmanships of local congresses when cities experienced more protests in the previous year.

Second, I examine whether political competition drives dual appointment. Following Lü and Landry (2014), I use the number of counties within each prefecture to capture local political competition. Column (2) in Table 1 indicate that county pool size has a negative and significant impact on the probability of dual appointment. It reveals that more intense political competition within each prefecture can reduce the likelihood of dual appointment. The results confirm the political competition motivation.

Table 2.1: Dependent variable: Dual appointment

	(1)	(2)	(3)	(4)
Age	-0.480*** (0.036)	-0.493*** (0.040)	-0.532*** (0.040)	-0.545*** (0.041)
Male	1.332*** (0.426)	1.389*** (0.450)	1.646*** (0.484)	1.614*** (0.480)
Ethnic	-1.650*** (0.421)	-1.401*** (0.433)	-1.020** (0.437)	-0.771* (0.451)
Graduate education	1.368*** (0.236)	1.449*** (0.245)	1.350*** (0.251)	1.298*** (0.259)
Home city	-2.862*** (0.434)	-2.945*** (0.458)	-2.678*** (0.433)	-2.859*** (0.465)
Protest (t-1)		0.156*** (0.045)	0.161*** (0.045)	0.126*** (0.040)
Political competition (t-1)		-0.138*** (0.036)	-0.144*** (0.036)	-0.229*** (0.049)
Ethnic autonomous prefecture			-2.677*** (0.863)	-1.857* (0.992)
Political cycle			-0.615*** (0.187)	-0.598*** (0.196)
Population (log)				1.214*** (0.441)
Fiscal revenue (log)				-0.386 (0.341)
GDP per capita (log)				0.802 (0.499)
Average education level				-0.397 (0.247)
Urbanization rate				2.078* (1.066)
Year fixed effect	Y	Y	Y	Y
<i>N</i>	3285	3007	3007	3006
pseudo <i>R</i> <sup>2</sup>	0.582	0.605	0.622	0.635

Notes: The analysis employs binary logistic model. The dependent variable is 1 when a city adopted dual appointment in year *t*, otherwise 0. Robust standard errors are clustered at city level. Protest and county pool size are lagged one year period. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Political cycle and ethnic regions may change political turnover and individual characteristics. In column (3), I add political cycle and ethnic autonomous prefectures in the analysis, the results shows that dual appointment is less likely to be adopted in years



with political cycle.<sup>19</sup> Dual appointment has a lower chance to emerge in ethnic autonomous prefectures.

In addition, many city characteristics may shape key independent variables and outcome variables. For instance, urbanization may shape political stability (Wallace 2014), local education level may shape institutions and the supply of politicians, economic development and state capacity may affect institutional choices. To mitigate this concern, I control several city covariants including population, fiscal revenue, GDP per capital, average education level, and urbanization rate. Most of covariants were collected from *China Statistical Yearbook for Regional Economy*.<sup>20</sup> Annual education level is not available. I use the China 2005 1 % Population Intercensus Survey (the 2005 mini census) to calculate average education level in each prefecture. All covariants are controlled, as shown in Column (4). The results remain consistent and robust.

Due to data limitations, I have not tested whether political status and personnel control motivations could shape chances of dual appointment. In addition, the basic regression results only illustrate possible correlations or patterns. The links between of political competition, social unrest and dual appointment are not causal.

Another question is whether dual appointment reduces the probability of social unrest and maintains political stability as expected by the ruling party. In Table 2.2, I test the effect of dual appointment on protests. To reduce adverse causality, dual appointment is lagged one year period. The results in column (1) show that dual appointment has a negative but insignificant impact on social unrest. After adding more covariants, the results

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<sup>19</sup> The National People's Congress has a five-year term. Over the past two decades, new political cycle started in 2003, 2008, 2013, and 2018. Political cycles in local congresses usually begin one year before that of the national congress. I conduct a political cycle dummy, 2002, 2007, and 2012 are 1, otherwise 0.

<sup>20</sup> Urbanization rate was collected and calculated from *China City Statistical Yearbook* and *Statistics of City and County Demographic in People's Republic of China*.

are similar. Table 2 provides evidence that dual appointment may not achieve intended results.

Table 2.2: Dual Appointment and Social Unrest

	(1)	(2)	(3)
L. Dual appointment	-0.078 (0.134)	-0.035 (0.133)	-0.018 (0.127)
Age		0.039** (0.018)	0.029* (0.017)
Tenure		-0.051* (0.029)	-0.046 (0.028)
Male		0.526 (0.381)	0.520 (0.344)
Ethnic		-0.081 (0.127)	-0.089 (0.124)
Graduate education		0.075 (0.194)	-0.007 (0.178)
Home city		-0.072 (0.132)	-0.044 (0.123)
Population (log)			3.972** (1.703)
Fiscal revenue (log)			0.332 (0.423)
GDP per capita (log)			-1.932*** (0.447)
Political cycle			2.609*** (0.732)
Urbanization rate			4.790* (2.798)
City fixed effect	Y	Y	Y
Year fixed effect	Y	Y	Y
<i>N</i>	3255	3003	3002
<i>R</i> <sup>2</sup>	0.075	0.083	0.114

Notes: Robust standard errors are clustered at city level. Dual appointment is lagged one year period. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

## CONCLUSION

This study illustrates the dynamic relations between the communist party and congresses in China. The strength of ruling party control over local congresses displays spatial and temporal variations. In particular, I employ dual appointment of party secretaries and chairmen of local congresses as a typical case of ruling party control. I hypothesize that dual appointment is adopted to elevate the political status of congresses and strengthen personnel and social control. Different from democratic institutions, the distribution of power within legislatures is driven by political control from above.

Empirically, I provide some supporting evidence on parts of arguments. I demonstrate that dual appointment is more likely to emerge when prefectures had more social unrest in previous year. Dual appointment may be an important power arrangement for ruling parties to strengthen control over society. In addition, empirical results show that political competition is negatively and significantly linked to dual appointment. It reveals that dual appointment is less likely to be adopted in areas with intense interjurisdiction competition. The separate appointment of legislative and party leaders may be a tool for ruling parties to maintain local elites' loyalty and incentivize them to manifest competence and loyalty. However, due to data limitation, it is still unknown whether the adoption of dual appointment is driven by the motivations of personnel control or elevating political status of congresses. I leave these issues to future research.

Furthermore, this study demonstrates some of the limitations of local congresses in China. As Manion (2015) shows, Chinese congresses remain amateur assemblies. I illustrate the amateurism by indicating that congress leaders tend to be less competent than party leaders. Compared with double mandate chairmen, single mandate chairmen are less educated, older, close to retirement age, and local born, and chairmen of congresses tend to be the last stop of their political career. Due to marginal chance of promotion, they may

have weak career incentives and prefer peaceful retirements rather than offending embedded local interests.

The study has some limitations. I use educational attainments of leaders to proxy competence. Though the educational attainment is commonly used to proxy competence of government officials (e.g., Besley and Reynal-Querol 2011; Dal Bó et al. 2017), it may have some noises. In China, many leaders got part-time graduate degrees in party schools to decorate their profiles, these degrees were easy to be obtained and may not reflect their innate capacity. It is essential to find better measurements in the future. In addition, I only compare single mandate chairmen with party-secretary chairmen. Ideally, legislative leaders should be compared with mayors and party secretaries.

## **Chapter 3: Power Concentration and Legislative Politics**

### **INTRODUCTION**

As evidenced in Chapter 1, the ruling party has incentives to strengthen control over legislative institutions to deal with unfavorable results such as social unrest. Dual appointment of party and legislative leaders is a typical form of ruling party control, which allows ruling party leaders to concurrently hold two power positions.

The ruling party control over legislatures is not unique to China. The adoption of legislatures is costly for autocrats because legislatures do not consistently serve the interests of authoritarian rule. In particular, legislatures could serve as a platform for regime opponents (Schuler and Malesky 2014). Legislative processes can be quite contentious (Tanner 1995), and legislatures run the risk of yielding outcomes counter to the ruler's policy preferences (Gandhi and Przeworski 2007). As a result, authoritarian ruling parties adopt various strategies to maintain tight party control over legislatures. For instance, authoritarian ruling parties control the composition of delegates (Malesky and Schuler 2010), constrain delegates' proposals in nonsensitive issues (Truex 2016), and co-opt legislative leaders into the top communist party organizations (Nelson and White 1982). Ruling parties decide the realm of legislative power and structure agendas in congresses. These studies mainly examines how and why ruling parties control legislatures in authoritarian regimes. Yet few studies evaluates the political consequences of ruling party control on legislative politics.

To fill this gap, this study identifies a new form of authoritarian party control over legislatures and evaluates its political consequences. In particular, I use dual appointment of chief party leaders and legislative leaders to capture ruling party control, which allows

ruling party leaders directly hold the chairmanships of local congresses. Dual appointment can enhance power concentration and ruling-party control.

I argue that authoritarian ruling parties may confront a trade-off in their attempts to tightly control legislatures. The ruling party uses dual appointment to elevate the political status of congresses and strengthen ruling party control. However, dual appointment impedes bottom-up information from legislators and has no evident impact on the oversight of executive power.

Chinese local congresses provide an illustrative case of party control legislatures. China is a one-party state, and the Chinese Communist Party (CCP) has a strong grip on executive and legislative power. To strengthen party leadership over the local congress, local party secretaries serve concurrently as the chairpersons of the local congress. I use the subnational variation of the change in power configuration across time and areas to capture the dynamics of power concentration. Empirically, I construct a novel dataset of legislative activities and leadership information in 333 cities between 2002 and 2012.

The empirical results demonstrate that power concentration significantly reduces the number of policy proposals from legislators. The reduction effect is more salient when party leaders have better career prospects. Legislators have more incentives to suppress their opinions in congresses when leaders have better career prospects. A placebo test confirms that the effect is not driven by leaders' personalities or leadership styles. Moreover, I demonstrate that power concentration has no significant impact on oversights of executive power, measured by the misuse of public funds. It suggests that strengthening ruling party control is inadequate to enhance the supervision of executive power. I draw a consistent conclusion after using two instrument variables to deal with endogeneity concerns.

This study contributes to the literature on functions of authoritarian legislatures. Authoritarian legislatures can serve as an information channel for rulers to collect information about the strength of public preferences (Malesky and Schuler 2011; Manion 2015; Truex 2016). The role of legislatures may be conditional on internal power dynamics. A growing number of studies suggests that legislative activities within authoritarian regimes exhibit substantial variation across space and time; stakeholders like ruling coalitions and the masses could change legislative outcomes (Lü, Liu and Li 2020; Malesky and Schuler 2010; Truex 2020). This study demonstrates that power concentration of legislative leaders could shape behaviors of legislators, who become less likely to tap local knowledge from below. Power arrangements of legislatures, such as dual appointment, may dampen the role of information gathering in authoritarian legislatures.

This study contributes to the literature on ruling party controls in authoritarian legislatures. Ruling party control over legislatures is common in both democracies and nondemocracies. In democracies, legislators are motivated by reelection concerns (Laver, Laver and Shepsle 1996), and the lure of public offices drives the formation of legislative parties and coalitions (Cox 2008). However, authoritarian legislatures have distinct features regarding ruling party control. They are politically subservient to the ruling party or the executive, and the party decides the boundaries of legislative power (Gandhi, Noble and Svobik 2020). Legislator's behaviors are more likely to be constrained by political leadership rather than citizens' preferences. This study evaluates the political consequences of strong ruling party control in a single-party regime. The results show that the ruling party faces a trade-off when asserting their control in legislatures: tight control may lead to serious information problems for ruling parties.

The study increases our knowledge of the separation of party and state in nondemocracies. In democracies, separate powers introduce an additional veto point into

the decision-making process and decentralize politics (Gerring, Thacker and Moreno 2009), while multiple veto players increase checks and enhance credibility (Keefer and Stasavage 2003); however, in nondemocracies, the separation of the party and state is difficult to achieve, and the ruling party tends to monopolize power. In the early reform era in the 1980s, China attempted to promote partial separation of the party from the state, which was suspended after 1989. In recent years, CCP has strengthened the role of party organizations in various organs of rule (the government, the military, legislatures, and mass organizations), emphasizing party leadership. In those organizations, the party leadership group and executive power jointly make decisions to guarantee the implementation of party lines and policies. Party committees even make final decisions on public issues (Lieberthal 2004). The party exerts salient influence in the operations of government and other organs of rule. This study suggests that strong party control may not achieve intended aims, and that it can impede upward information flow and exert negative consequences on local governance.

## **THEORY**

Subnational authoritarian legislatures usually perform two key functions that sustain authoritarian rule: information collecting and oversight of executive power.

First, authoritarian legislatures facilitate information collection and aggregation for policymaking. Authoritarian regimes commonly adopt legislatures to enhance regime survival by co-opting elites (Gandhi 2008) and facilitating power-sharing (Svolik 2012). In one-party regimes like China, the institutional design of local congresses mainly corresponds to the pursuit of legitimation (Manion 2015; McCormick 1990). Regime survival is not the main concern for local leaders. Absence of competitive election, local



leaders lack accurate information about public discontents and opposition forces. Although regular small-scale protests can serve as an efficient information gathering instrument in authoritarian regimes (Lorentzen 2013), protests are costly and may escalate into massive unrest. Authoritarian regimes also rely on the Internet to collect and filter information (King, Pan and Roberts 2013), yet online information may represent only the opinions of netizens and be biased, and people may not speak freely on the Internet because of the fear of censorship and repression. Social media and other online platforms have only emerged in recent years. By contrast, local legislatures offer a formal and peaceful channel to identify public dissatisfaction before an uprising occurs (Cho2008) and reveal information about the strength of public preferences (Malesky and Schuler 2011; Manion 2015; Truex 2016).

Another role of local legislatures is to monitor executive power. Since many authoritarian regimes rely on domestic investment to maintain economic growth and sustain their rule, they are incentivized to constrain their own power to attract more investments (Wright 2008). Yet they are insufficient to credibly commit to refraining from exploitative behaviors. The presence of legislatures could place potentially restrictions on local executive power and add credibility to power constraints, and reduce expropriation risks (Jensen, Malesky and Weymouth 2014; Wilson and Wright 2017). The literature demonstrates that local legislatures increasingly enhance their oversight of the workings of government in authoritarian regimes like China (Cho 2002; Manion 2015). Though their supervision of government is limited, local legislatures provide a plausible channel to constrain the executive power.

How does power concentration shape the functions of authoritarian legislatures? I illustrate that authoritarian ruling parties exert tight control of legislatures to avoid unfavorable results and elevate the political status of legislatures in oversights of executive

power, yet they confront a trade-off: upward information flow from legislators may be reduced, and tight ruling party control may have limited consequences on legislative oversight of executive power. The next section explains my theoretical framework in detail.

### **Power Concentration and Upward Information**

In this section, I illustrate the ways through which the concentration of power shapes legislators' incentives and behaviors. The dual appointment of party and legislative leaders may make legislators less likely to submit policy proposals and transmit local knowledge to leaders.

Authoritarian regimes face a “dictator’s dilemma” on information collection. Dictators are difficult to have a credible commitment to not punishing those who would bring them bad news; the more repressive institutions suppress dissent and criticism, the less dictators are aware of their real support (Wintrobe 2000, 335). Legislative institutions could partially solve this problem by providing an institutional channel for legislators to safely provide suggestions and criticisms without threatening political stability (Gandhi 2008).

However, strengthened coercive power may mitigate the informational function of authoritarian legislatures. In general, scholars demonstrate that the monopoly of legitimate coercion may undermine the provision of information from below (Hooghe, Marks and Marks 2001; Marks, Hooghe and Blank 1996), dominant political power may breed political reticence (Shen and Truex Forthcoming), and politically focal times and locations may encourage individuals to engage in severe political self-censorship (Chang and Manion 2021). Nondemocracies confront a trade-off between strong political control and bureaucratic incentives: under strong political control, lower-tier bureaucrats have weak incentives to provide necessary information to higher level officials (Egorov, Guriev and

Sonin 2009). Strong political control may lower the quality of bottom-up information provision by making subordinate political actors less willing to voice their preferences and opinions.

In authoritarian legislatures, legislators also confront strong coercive power from ruling parties. They are seldom autonomous from executive power and ruling parties, and are reluctant to represent constituency interests. In China's contexts, legislators may represent citizens and express their grievances, but only "within bounds" (Truex 2016). Most legislators are selected from government officials, economic elites, and professionals (Manion 2015; O'brien 1990; Truex 2020), who are motivated by career promotions, business interests, and legal protection rather than representation (Blaydes 2010; Gandhi, Noble and Svulik 2020; Malesky and Schuler 2011).<sup>21</sup> Specifically, the career prospects of government bureaucrats in legislatures are controlled by local party organizations; economic elites seek legislative positions to gain economic returns and secure their property rights (Hou 2019; Truex 2014); most professionals like professors and doctors work in public institutions and are restrained from expressing their personal views. In general, party-nominated legislators are less likely to submit policy bills or suggestions than legislators nominated through other channels in Chinese local congresses (Huang and Chen 2015). These legislators may be cautious about criticism, suggestions, and oversights.<sup>22</sup> They may have concerns that policy proposals or criticisms may offend party leaders and incur potential negative consequences on their career developments.

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<sup>21</sup> In terms of legal protection, one case is the Law on Congress Delegates in China, which indicates that legislators at county level or above cannot be arrested without the approval of local congresses.

<sup>22</sup> Detailed background information of municipal legislators is not publicly available in most cities. One exception is a city (*Jiayuguan*) in western China. For example, the city yearbook in 2007 disclosed the full name lists and demographics of legislators. Among its 174 legislators, 88% of them were communist party members, about 50% of legislators came from government and party organizations, 40% were leaders or employees of state-owned enterprises (SOE), and only 6.3% legislators worked in private sectors or small business. The composition of legislators implies that the party plays a dominant role in the career advancements and business interests for most legislators.

Dual appointment may weaken legislators' incentives to submit policy proposals and tap local knowledge. In China's political system, party secretaries are top party chiefs and have great control over personnel management and promotion as well as influence in the private sector. The joint appointment of local party and legislative power strengthens the political power of party secretaries and allows them to intervene in legislative politics. They directly control the nomination and approval of personnel appointments in all procedures. On paper, all appointments of local government leaders should be approved by the local congress, while the party standing committee selects and nominates these candidates and party secretaries have a final saying on promotions.

Legislators rely on party secretaries to further their career development, to gain political support, to obtain government funding, and to secure their property rights. After perceiving the rising political dominance of party secretaries, legislators fear potential punishment when they express criticism. They have more incentives to please rather than offend the dominant leader. As a result, these legislators may hide their real views, and become less likely to reflect local grievances and engage in legislative supervisions. They may be restrained from taping local information for party leaders.

### **Power Concentration and Legislative Oversight**

In this section, I hypothesize how power concentration shapes legislative oversight. I argue that power concentration may be limited to improve legislative oversight. Though the dual appointment of party and legislative leaders may empower congresses and elevate congresses' authority in the oversight of governments, dual appointment may facilitate personalization of power and weaken power constraints of party leaders. As a result, dual appointment may be inadequate to improve legislative oversight.

One key function of congresses is oversight of executive power. In China, local congresses conduct oversight of government, the courts, and the procuracy. The oversight of executive power has been rising since 1990 and has become the most important work for congresses below the provincial level (Cho 2008). Delegates conduct routine inspections to check whether unlawful fees have been abrogated, property rights enforced, and pollution controlled (Cho 2008; Xia 2007). Local officials are summoned in congresses to explain their work. Delegates examine government reports in annual conferences of congresses and conduct budget review.

However, the oversight function of local congresses are weak in China. Delegates usually meet once per year in annual conferences, which only lasts several days and there many items on the agenda. They may have insufficient time to review budgetary arrangements. It is rare for delegates to publicly criticize government officials. Most delegates are not professional legislators or economic experts and lack the expertise to interpret the technical contents of budget reports. In addition, by the time annual conferences take place, the fiscal year has already begun, and the budget has been partially implemented by the government (Cabestan 2006). Extra-budgetary funds such as land revenue are important sources of government revenue. Yet extra-budgetary funds are not formally included in the local budget reports. The legislative oversight of budget may be restricted.

The dual appointment may have divergent effects on legislative oversight. On the positive side, dual appointment may strengthen legislative oversight by elevating the political status of congresses. As discussed in last chapter, in China's political system, the political status of local congressional chairmen matters for legislative oversight. Local congresses are politically weak in the political system. The political status within the party of mayors who concurrently hold the post of vice party secretary is just below that of the

party secretaries. Both mayors and executive vice mayors occupy two positions in the standing committee of the communist party, whose members are the most powerful leaders and control massive amount of resources at the local level. Yet single mandate chairmen are not members of the party standing committee and have limited authority and resources to monitor governments. When local congresses stand up to governments during the exercise of their oversight authority, they need powerful backers and routinely seek support from local party committees (O'Brien 2009). Dual appointment elevates the political status of congresses and allows local congresses to have more authority and resources to monitor governments.

On the negative side, the power concentration of party secretaries may offset the strengthened legislative oversight. Power concentration increases the relative power of leaders in inner political cycles and is usually linked to the personalization of power (Geddes et al. 2018). Dual appointment enables party secretaries to control local ruling parties and congresses simultaneously. They may become more influential and powerful in the appointment of state officials, budgetary allocation, and lawmaking, they face, in other words, less constraints. Compared with single mandate chairmen of congresses, party secretaries have stronger career concerns. Career incentives can motivate party secretaries to promote urban spatial expansion and sell more lands (Wang, Zhang and Zhou 2020), which may fuel corruption (Chen and Kung 2016). Party leaders can use more public funds in image building or “political achievement” project to signal competence. As a result, dual appointment may weaken power constraints of party leaders, and enable them to have stronger control over the ruling party and congresses. Without effective power constraints may fuel corruption.

In sum, legislative oversight is inherently weak in authoritarian legislatures. Dual appointment may elevate political status of congresses and empower oversight of executive

power. Yet dual appointment promotes personalization of power and undermines power constraints of party leaders, which may undo the positive side of dual appointment. As a result, dual appointment may have no evident consequence on legislative oversight.

## **BACKGROUND**

The China case offers a valuable opportunity to examine how the ruling party manipulates legislative institutions and whether party control of legislatures shapes authoritarian politics.

In China's single-party system, the party exercises strong control of legislatures. For instance, at the national level CCP directly controls about 70% to 75% of the seats in the National People's Congress (NPC); "democratic parties" under the control of the CCP and unaffiliated deputies hold the remaining seats (Manion 2015; O'brien 1990; Truex 2020). At the local level party control is the top priority for the operation of the local congress. The party selectively mobilizes votes for preferred candidates while strategically manipulating electoral rules (Wang 2017), yet, local congresses supervise governments, the courts, and the procuracies more actively than the NPC (Cho 2008; Xia 2007). The performance and operation of local congressional legislators exhibit considerable regional variation (Chen 2020). In sum, the power constraints of local legislatures may be heterogeneous across space and time, and conditional on compositions of legislators.

To strengthen the party's leadership of local congress, local party secretaries serve concurrently as the chairpersons of the local congress. At the provincial level, seven of 33 provincial party secretaries served as congressional chairs in 1998, and this number increased to 21 in 2003 (Almén 2013). At the prefecture level, 38.15% of chairmen were held by party secretaries between 2002 and 2012.

The dual appointment of party secretaries and chairmen of congresses is a typical form of power concentration. In the reform era, Deng Xiaoping pointed out that it is not proper to have an over-concentration of power, since it hinders the recognition of collective wisdom, and leads to arbitrary rule (Deng 1994). When party secretaries serve as chairs of local congresses, they simultaneously acquire executive, party, and legislative power, centralizing political authority in the hands of top party chiefs. They may have more power in cadre management, budget allocation, and policy agenda setting. Local legislatures may be less likely to constrain power. Moreover, information collecting is a crucial function of local congresses, which in China operate in an institutional context of executive-led governance so they can tap local knowledge and information for party and government agents (Manion 2015). Representatives of the local congress may hesitate to express their criticisms and policy preferences when the party exerts strong control of legislatures.

## **RESEARCH DESIGN**

### **Data and Variable**

In this study, I collect biographic data of chairmen in local congresses and legislative activities in roughly 300 cities between 2002 and 2012.<sup>23</sup> Biographic information of chairmen was obtained from various sources such as government websites, media reports, local gazetteers, and the communist party organizational materials I identify legislative activities from each city's yearbook, which contained chapters on local congresses in the previous year. The last chapter introduces the data collection processes in detail.

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<sup>23</sup> Some prefectures had no yearbooks in the early periods. The data exclude all 7 prefectures of Tibet, where most prefectures didn't publish yearbooks until 2012 and many leaders' information is publicly unavailable



**Power concentration.** The key independent variable in this study is power concentration. I use the dual appointment of the city party secretary and the local congressional chairman to capture power concentration. From 2002 to 2012, Chinese cities experienced waves of institutional change. In some cities, the party secretary simultaneously held the chair of the local congress. In the remaining cities, the two positions were occupied by different ruling elites. The change in power configurations was usually initiated by provincial governments, and cities in a province gradually adopted the policy. The power concentration dummy is equal to 1 when a city's party secretary holds the chairman of the local congress at year  $t$ , otherwise 0. I collect name information of party secretaries and chairmen of congresses from provincial yearbooks. In the year with political turnover, party and legislative leaders are those who stayed in the positions for more than 6 months.

**Policy Proposals.** To identify the informational role of legislatures, I use the total number of policy bills, suggestions, and criticisms from legislators. The majority were submitted at the annual conference of the local congress. Each city's yearbook contains a section to summarize legislative activities in the previous year. Most city yearbooks report the total number of policy bills, suggestions, and criticisms submitted by legislators. The size of the local congress may matter for the number of policy bills. To mitigate this concern, I use the number of policy bills divided by the number of legislators attending annual conferences as an alternative measurement. On average, legislators submitted 171 policy bills, suggestions, and criticisms.

There are two types of policy proposals from legislators. One is the proposal (*yì* 议案). It is more formal and has a higher threshold for collective action, which needs ten or more legislators' signatories; congressional leaders control the agenda and can reject the proposals (Manion 2014). The other type is criticism, suggestions, and comment (*píng* 评

*jianyi, yijian*). This type has a lower threshold and can be submitted individually, and both during and after the annual congresses. Most yearbooks report the total number of proposals, criticism, suggestions, and comments together. When legislators submit a collective proposal and get rejected by legislative leaders, the proposal would be transformed as one policy suggestion, criticism, or comment. Moreover, the number of proposals only accounts for a small proportion of policy bills from legislators. Most legislators submit comments, suggestions, or criticism. So the total number of proposals, comments, suggestions, and criticisms mainly reflects the supply side of information flow from legislators. In this study, I use policy proposals to indicate both collective proposals and comments, suggestions, and criticisms.

**Legislative oversight.** Another outcome variable is legislative monitoring. I use accounts of suspicious expenditures uncovered by auditors to capture the strength of legislative oversight. In China's government audit system, the audit department of prefectures is authorized to report to the provincial audit department as well as reporting to the prefecture government. Local chief audit leaders are chosen by the local party standing committees, and provincial audit office has the power to audit city governments (Chu et al. Forthcoming). The audit office at prefecture-level has partial autonomy to supervise local fiscal expenditures. Local party secretaries can exert influences on government audit through personnel appointments of chief audit officers.

Scholars widely use the variable and similar data sources to identify government monitoring and the misuse of public funds. They demonstrate that flattening government structures weakens monitoring of local leaders and increases the amount of misused public funds (Bo, Wu and Zhong 2020), and auditors find less questionable government funds in their hometowns (Bo, Wu and Zhong 2020). These studies show that high amounts of suspicious funds is linked to weak oversight. Similar to above studies, I collected data from

China Audit Yearbooks between 2003 and 2013, which covered the suspicious expenditures in the previous years.

**Individual controls.** Despite the main variables, I control a series of covariants. Chairmen's attributes may shape the power concentration and outcome variables. I control for chairmen's age, tenure, gender, ethnicity, education, and home city. Compared with single mandate chairmen, double mandate chairmen are younger, male and Han dominated, have a shorter tenure, are better educated, and are less likely to work in their hometowns.

**City controls.** A city's social and economic indicators may shape legislative activities. For instance, developed areas may have a higher quality of political institutions and a fiscal capacity that is linked to the quality of government, while populous cities may have more social problems. City indicators including population, fiscal revenue, GDP per capita are thus included in the analysis.

The political cycle may shape legislative activities and leaders' career paths. More local officials may be appointed or removed, and political turnover are more frequently at the new round of political cycles in local congresses. The National People's Congress has a five-year term. Over the past two decades, new political cycle started in 2003, 2008, 2013, and 2018.

Legislators at lower levels of congresses are responsible for electing delegate at higher levels. For instance, municipal legislators elect provincial delegates, while provincial delegates elect national delegates. Political cycles in local congresses usually begin one year before that of the national congress. So I conduct a political cycle dummy, 2002, 2007, and 2012 are 1, otherwise 0.

## Empirical Setting

I employ the two-way fixed effects model to test the main hypotheses. The following model is the main specification:

$$Y_{it} = \beta_0 + \beta_1 \text{Concentration}_{it} + \beta_2 X_{it} + \beta_3 I_{it} + \gamma_i + \delta_t + \varepsilon_{it} \quad (1)$$

where  $Y_{it}$  is the outcome variable for city  $i$  in year  $t$ ;  $\text{Concentration}_{it}$  is the dual appointment dummy, which captures whether a party secretary in city  $i$  holds the chairperson of people's congress in year  $t$ ;  $X_{it}$  is a set of city covariants including GDP per capita, fiscal revenue, population, and political cycle.  $I_{it}$  is a vector of chairmen's individual characteristics including age, gender, tenure, ethnicity, education, and home city.  $\gamma_i$  captures city fixed effects,  $\delta_t$  is the time-specific effect of year  $t$ . Robust standard errors are clustered at prefecture level.

First, I test the overall effects of power concentration on policy proposals. If  $\beta_1$  is significantly positive, we may predict that the demands of party secretaries on information outweigh the concerns of legislators, and power concentration actually enhances the functions of legislatures. By contrast, if  $\beta_1$  is significantly negative, we may draw the conclusion that legislators are still less likely to tap local information and oversee governments even though party leaders encourage them to do so.

To further identify legislators' motivations, I identify chairmen's career prospect. Not all party leaders have the same likelihood of promotion. Due to age restrictions for promotions, younger leaders gain an advantage in career advancements (Kou and Tsai 2014; Landry, Lü and Duan 2018). City party and government leaders are ineligible for promotion after age 57. In the sample, the average age of double mandate chairmen is 51.79. Between 1994 and 2011, city party secretaries and mayors had an average age of

50.5 and a median age of 51 (Xi, Yao and Zhang 2018). If a city official is 50 or below, she or he could be younger than more than half of city leaders and gain competitive advantage. I thus use whether a party secretary is 50 or younger to capture their career prospects. In the following model, I interact power concentration with chairmen's age dummy.

$$Y_{it} = \alpha_0 + \alpha_1 \text{Concentration}_{it} \times \text{Age}_{ijt} + \alpha_2 \text{Concentration}_{it} + \alpha_3 \text{Age}_{ijt} + \alpha_4 X_{it} + \gamma_i + \delta_t + \varepsilon_{it} \quad (2)$$

where  $\text{Age}_{ijt}$  is a dummy variable and equal to 1 if chairmen of congresses are 50 or younger. The coefficient  $\alpha_1$  captures the interaction effect of power concentration and age.

## MAIN RESULTS

### Power Concentration and Policy Proposals

I investigate whether power concentration could reduce bottom-up information flow from legislators. Table 3.1 shows the estimated results. I use the total number of proposal (log) as the outcome variable. In column (1), I present baseline results from the specification that only include the key independent variable, along with city and year fixed effects. The results show that power concentration has a negative and significant effect on the total number of proposals, suggestions, and criticisms at 1% level. After adding chairmen's individual characteristics in column (2), the results are similar and significant at 1% level. In column (3), both individual and city characteristics are included in the analysis. The estimated coefficient of power concentration is -0.124 and significant at 1%

level, demonstrating that power concentration reduces 12.4% of policy proposals submitted by legislators.

One concern is that the size of delegates matters for the submission of policy proposals. To deal with the concern, I use the number of proposals divided by the number of legislators attending the annual conference as an alternative dependent variable, when most proposals were submitted by legislators. Columns (4) to (6) in Table 3.1 present estimated results. The results are consistent and confirm that legislators tend to submit fewer proposals when party secretaries directly control the congresses.

Table 3.1: Power concentration and legislators' policy proposal

	(1)	(2)	(3)	(4)	(5)	(6)
	Proposal (log)			Proposal per capita (log)		
Power concentration	-0.076*** (0.028)	-0.126*** (0.034)	-0.124*** (0.034)	-0.069** (0.030)	-0.116*** (0.037)	-0.114*** (0.037)
Age		-0.001 (0.004)	-0.002 (0.004)		-0.001 (0.005)	-0.002 (0.005)
Tenure		-0.016** (0.006)	-0.016** (0.006)		-0.016** (0.007)	-0.016** (0.007)
Male		-0.071 (0.063)	-0.073 (0.064)		-0.093 (0.073)	-0.095 (0.074)
Ethnic		-0.004 (0.063)	-0.004 (0.063)		0.008 (0.068)	0.009 (0.068)
Graduate education		0.047* (0.028)	0.043 (0.028)		0.045 (0.029)	0.042 (0.029)
Home city		-0.007 (0.042)	-0.007 (0.042)		0.001 (0.044)	0.001 (0.044)
Population (log)			0.162 (0.224)			0.116 (0.237)
Fiscal revenue (log)			0.037 (0.059)			0.037 (0.064)
GDP per capita (log)			-0.084 (0.076)			-0.066 (0.080)
Political cycle			-0.158 (0.124)			-0.126 (0.133)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
N	2438	2287	2286	2230	2093	2092
R <sup>2</sup>	0.029	0.044	0.046	0.024	0.041	0.042

Notes: Robust standard errors are clustered at prefecture level. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Moreover, I conduct several robustness checks. First, Table B1 in Appendix demonstrates the estimated results using the number of proposals and proposal per capita as outcome variables. The results are consistent and confirm that dual appointments significantly reduce the willingness of legislators to submit policy proposals, as shown in column (3). In the year of political turnover, new party secretaries may not attend annual conferences when delegates submit most of policy proposals. They may not directly exert influences on delegates. I use one-year lagged power concentration to mitigate this concern. In Table B2, the results show that one-year lagged power concentration has a negative and significant impact on both proposals and proposal per capita. The magnitudes of coefficients are smaller than those in Table 3.1.

Moreover, dual appointment is less likely to be adopted in ethnic autonomous prefectures and vice provincial cities. In ethnic autonomous prefectures, the posts of party secretaries are normally held by Han, while the chairmen of congresses are ethnic minorities. The divergent institutions in ethnic autonomous prefectures may alter the results. Vice provincial cities are usually capital city of provinces, have unique political status, and obtain more political and fiscal resources.<sup>24</sup> They may not be comparable with other cities, where both party secretaries and chairmen of congresses are at the Bureau Director rank. To mitigate these concerns, all ethnic autonomous prefectures are removed in the analysis in Table B3. The results remain consistent and robust, as shown in columns (1) to (6). Table B4 presents the estimated results after excluding vice provincial cities in the analysis. Columns (1) to (6) indicates that power concentration has a positive and

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<sup>24</sup> There are 15 vice-provincial cities in China, most of them are capitals of the provinces. They include Changchun, Chengdu, Dalian, Guangzhou, Hangzhou, Harbin, Ji'nan, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Wuhan, Xi'an, and Xiamen. In these cities, the party secretaries and chairmen of people's congress are at the rank of deputy minister.

significant impact on both number of proposals and proposal per capita at 5% or 1% level. The results are consistent with those in Table 1.

To further examine the consequences of power concentration, I take the career prospects of party secretaries into consideration. Career prospects refer to officials' future promotion prospects. The party tends to advance younger officials and restrict the promotion of ageing officials (Kou and Tsai 2014). If party secretaries are much younger than colleagues in equivalent positions, they will gain a great advantage in the race for promotion. An observable and easy-to-interpret indicator of career prospect is age. Party secretaries younger than 50 have a larger chance of being promoted. I thus use whether a party secretary is 50 or younger to capture career prospects.

Legislators can perceive the career prospects of party secretaries and have incentives to build patronage ties with them. In China's political system, patronage ties between patrons and clients are usually built through work ties in the same areas (Jia, Kudamatsu and Seim 2015). When a patron has better career prospects, the client could have a bigger chance of be continuously promoted. If party secretaries are expected to move to higher positions, they may bring more opportunities of career advancements for local officials in the same city. Many legislators are local officials. After perceiving better career prospects of legislative leaders, they may be actively to cater to those leaders rather than offend them. As a result, legislators may be less likely to submit policy suggestions, criticisms, and comments when double mandate chairmen have better career prospects.

Table 3.2 shows how the impact of power concentration on policy proposals may be conditional on leaders' career prospects. Columns (1) and (3) indicates that the interaction term of power concentration and age 50 or younger is negative and significant. Columns (4) to (6) present similar results using proposals per capita as an alternative measurement.



Table 3.2: Power concentration, career prospect and legislators' policy proposal

	(1)	(2)	(3)	(4)	(5)	(6)
	Proposal (log)			Proposal per capita (log)		
Power concentration $\times$ Age $\leq 50$	-0.227*** (0.083)	-0.234*** (0.074)	-0.234*** (0.075)	-0.264*** (0.091)	-0.278*** (0.082)	-0.277*** (0.084)
Power concentration	-0.067** (0.031)	-0.102*** (0.032)	-0.100*** (0.032)	-0.059* (0.033)	-0.092*** (0.034)	-0.090*** (0.034)
Age $\leq 50$	0.223*** (0.079)	0.209*** (0.068)	0.213*** (0.069)	0.256*** (0.085)	0.249*** (0.075)	0.252*** (0.076)
Tenure		-0.016*** (0.005)	-0.016*** (0.005)		-0.016*** (0.005)	-0.016*** (0.005)
Male		-0.077 (0.063)	-0.079 (0.064)		-0.098 (0.073)	-0.100 (0.074)
Ethnic		0.013 (0.062)	0.014 (0.062)		0.032 (0.067)	0.033 (0.067)
Graduate education		0.046* (0.027)	0.043 (0.027)		0.044 (0.028)	0.042 (0.028)
Home city		-0.006 (0.042)	-0.006 (0.042)		0.001 (0.044)	0.001 (0.044)
Population (log)			0.188 (0.227)			0.147 (0.242)
Fiscal revenue (log)			0.035 (0.058)			0.035 (0.063)
GDP per capita (log)			-0.071 (0.076)			-0.051 (0.080)
Political cycle			-0.140 (0.124)			-0.107 (0.132)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
<i>N</i>	2325	2287	2286	2123	2093	2092
<i>R</i> <sup>2</sup>	0.033	0.049	0.051	0.030	0.048	0.049

Notes: Robust standard errors are clustered at prefecture level. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

The results imply that legislators are less likely to submit proposals when party secretaries control congresses and have a better career prospect. As discussed above, a large proportion of legislators are local officials in government, SOEs, and party organs. Party secretaries have a large say in their career advancements. When party secretaries are younger, they gain an advantage in political competition and have better chance of being promoted. Legislators, especially legislators working in party and governments, may be

more reluctant to propose policy suggestions, comments, or even criticisms. Thus, they are less likely to submit policy proposals in congresses.

Furthermore, party secretaries' personalities rather than positions could shape the behaviors of legislators. For instance, more than half of party leaders in China appear to have an autocratic leadership style, preferring effective execution and concentrated decision-making and (Jiang and Luo Forthcoming). It is possible that double mandate chairmen are more assertive than single mandate chairmen and less unwilling to hear different views. The reduction effect of dual appointment may be driven by their personalities rather than power concentration. However, leaders' personalities and leadership styles are unobservable.

To deal with the issue, I conducted a placebo test using retired party secretaries. As shown above, 4.5% of chairmen are retired party secretaries in the sample. Those retired party secretaries usually work as chairmen where they were party secretaries. Holding the chairperson of congresses allows them to bypass the age limits and stay in the political arena for longer. For instance, Liu Yupu was the party secretary and chairman of congress in Shenzhen between 2008 and 2010. After retiring from the position of party secretary in April 2010, he continued to hold the congressional chairmanship until 2013. In this scenario, the power concentration variable in Shenzhen was coded as 1 in 2008 and 2009, and 0 between 2010 and 2012. Personalities and leadership styles are usually stable. I thus use the retired double mandate chairmen as a placebo test to isolate the effect of power concentration.

In Table 3.3, I examine whether retired double mandate chairmen exhibit similar effects as current double mandate chairmen. To conduct the placebo test, I restrict the sample to all single mandate chairmen in local congresses, which excludes current double mandate chairmen. The results in columns (1) to (3) show that retired double mandate

chairmen have no significant effect on the total number of proposals. Compared with other single mandate chairmen, they have no salient consequences on legislators' submission of policy proposals. Columns (4) to (6) confirm that the power concentration effect disappears when party secretaries leave their position as chief party leaders. The results imply that the consequences of power concentration may not be driven by party leaders' personalities or leadership styles.

Table 3.3: Placebo Test: Retired Party Secretaries

	(1)	(2)	(3)	(4)	(5)	(6)
	Proposal (log)			Proposal per capita (log)		
Retired Party Secretaries	-0.024 (0.046)	0.018 (0.050)	0.020 (0.050)	-0.037 (0.047)	0.007 (0.052)	0.007 (0.052)
Age		-0.011 (0.008)	-0.011 (0.008)		-0.013 (0.009)	-0.013 (0.009)
Tenure		-0.012 (0.011)	-0.012 (0.011)		-0.010 (0.011)	-0.010 (0.011)
Male		-0.097 (0.117)	-0.098 (0.121)		-0.146 (0.140)	-0.147 (0.144)
Ethnic		0.035 (0.107)	0.034 (0.107)		0.092 (0.120)	0.091 (0.120)
Graduate education		0.046 (0.051)	0.044 (0.051)		0.054 (0.052)	0.051 (0.053)
Home city		-0.002 (0.054)	-0.000 (0.054)		0.008 (0.057)	0.010 (0.056)
Population (log)			0.333 (0.309)			0.312 (0.302)
Fiscal revenue (log)			-0.005 (0.096)			-0.022 (0.099)
GDP per capita (log)			-0.041 (0.140)			-0.029 (0.144)
Political cycle			-0.106 (0.213)			-0.090 (0.224)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
<i>N</i>	1457	1317	1317	1339	1212	1212
<i>R</i> <sup>2</sup>	0.026	0.053	0.056	0.021	0.054	0.056

Notes: The analysis uses the non-party secretary sample. Robust standard errors are clustered at prefecture level. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

In sum, these findings confirm that the power concentration of party secretaries could reduce the bottom-up information flow from legislators. The effect is more salient when party secretaries are younger and have better career prospect. Legislators are less willing to express their suggestions, comments, and criticisms in congresses when legislative leaders are powerful. A placebo test rules out the alternative explanation that leaders' personality or leadership style drives the results. The main results are also consistent and robust after taking ethnic autonomous prefectures and vice provincial cities into consideration.

### **Power Concentration and Personnel Appointment**

In this subsection, I test whether dual appointment increases party secretaries' influence on personnel appointments. One key function of local congresses is to appoint or remove state officials. Standing committees of congresses are accountable for electing state officials after the closure of annual conferences. In the last chapter, I indicated that double mandate chairmen could be involved in the whole procedures of cadre appointment and have a tight control over personnel affairs. The total number of prefectural level state officials is stable due to staffing restrictions (*bianzhi*), especially for senior state officials. It is unlikely that party leaders will appoint or remove a large number of state officials every year. The influence of double mandate chairmen may vary across tenure years. In the sample, 56.36% of the party-secretary chairmen stay in office for one or two years, the average tenure of party secretary chairmen is 2.559. The full term of chairmen in congresses is five years. Thus, I test the consequences of power concentration in each tenure year.

Table 3.4: Power concentration on the number of appointed officials in MPC

	(1) Tenure=1	(2) Tenure=2	(3) Tenure=3	(4) Tenure=4	(5) Tenure=5
Power concentration	1.916 (7.264)	15.116** (6.702)	-6.656 (9.943)	2.444 (8.842)	11.179 (17.781)
Age	0.131 (0.600)	2.094** (0.920)	-0.960 (0.787)	1.416 (1.057)	-2.339 (1.705)
Male	-7.822 (10.818)	-5.967 (11.449)	14.254 (11.349)	7.310 (14.805)	6.171 (26.166)
Ethnic	22.322 (21.699)	1.049 (15.724)	-5.016 (10.501)	-24.176*** (8.641)	-50.797 (32.293)
Education	1.992 (6.045)	5.372 (6.618)	6.224 (8.235)	14.478 (10.647)	-30.165** (11.750)
Home city	-2.420 (6.318)	1.404 (8.112)	-3.263 (9.070)	5.743 (8.867)	16.379* (9.330)
Population (log)	125.324 (90.788)	-7.403 (52.676)	-49.641 (49.341)	39.785 (56.157)	73.426 (67.085)
Fiscal revenue (log)	8.700 (15.754)	8.479 (16.975)	6.886 (15.486)	-11.812 (21.937)	-31.506 (32.618)
GDP per capita (log)	-14.449 (18.622)	-36.021 (23.323)	-20.623 (23.129)	-62.138 (40.937)	59.009 (44.135)
Political cycle	9.171 (31.448)	-28.248 (34.172)	-35.313 (42.177)	-112.040* (58.692)	-1.619 (50.714)
City FE	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y
<i>N</i>	545	447	386	323	237
<i>R</i> <sup>2</sup>	0.114	0.297	0.109	0.340	0.584

Notes: Robust standard errors are clustered at prefecture level. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

In Table 3.4, I estimate how power concentration shapes personnel appointments by tenure years. The outcome variable is the number of appointment and removal of state officials in each tenure year. Column (1) shows that power concentration has a positive but insignificant effect on the appointment or removal of officials in their first year of tenure, when double mandate chairmen may not be involved in all elections of state officials, and they need time to consolidate power. For a large number of party secretaries, engagement

in personnel appointments in congresses begins in the second year of their tenure. They may have greater power and become more influential in this year. Column (2) confirms that power concentration has a positive and significant effect on the appointment and removal of state officials at 5% level. The estimated coefficient is 15.116, which reveals that party secretaries appoint or remove about 15 more state officials in local congresses. The estimated coefficient becomes negative and insignificant in column (3), which indicates that local congresses tend to appoint or remove smaller numbers of officials after a large scale personnel changes in the previous year. Columns (4) and (5) show that power concentration has no evident impact on the appointment or removal of state officials in the fourth or fifth year of tenure. To facilitate interpretation, I plot the estimated coefficients of power concentration in Figure 3.1. It shows that double mandate chairmen appoint or removal significantly more state officials in their second year of office.

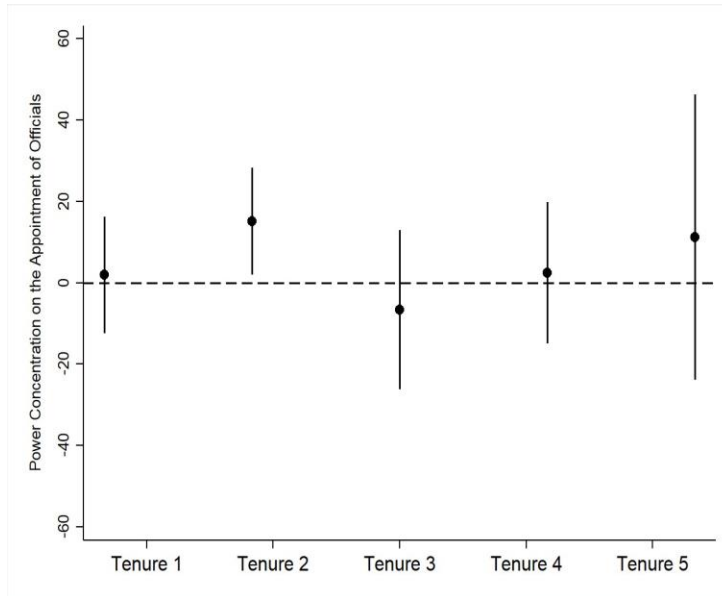


Figure 3.1: Power Concentration and Appointment of Officials across Tenure Year

The above results provide evidence that double mandate chairmen are influential in the appointment and removal of state officials in congresses, especially in the second year of their tenure. It may take time for new double mandate chairmen to consolidate power in the first year of office, and they may not be involved in all conferences and sessions of local congresses in the first year. In the second year, they may have stronger control over cadre appointments and become more likely to appoint officials and build their patronage networks. The average tenure of double mandate chairmen is less than 3 years. Party leaders avoid appointing officials before leaving office, which may bring them unexpected troubles and problems.<sup>25</sup> For instance, if they promoted officials before leaving office, they cannot effectively control these newly appointed officials, whose misbehaviours would damage their reputations or career after they leave office. In addition, this action would be blamed by incoming leaders.

In this subsection, I demonstrate that party secretaries have stronger control over the appointment of state officials when they directly hold the chairmanship of congresses. It partly explains why legislators, especially those working in government and party organizations, may have concerns about submitting proposals in congresses, which may exert negative consequences on their career advancements.

### **Power Concentration and Legislative Oversight**

In this section, I examine whether power concentration could strengthen legislative oversights of governments. I use suspicious fiscal expenditures to capture legislative oversight of governments. If the hypothesis is correct, we may expect that the estimated coefficient of power concentration is negative and significant.

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<sup>25</sup> It was revealed by a government official in a phone interview conducted in Feb 9, 2021.

Table 3.5 shows the estimated results. Columns (1) indicates that power concentration has a negative but insignificant effect on the total amount of suspicious expenditures between 2002 and 2012. After adding individual and city controls, the estimated coefficients of power concentration remain insignificant. Columns (4)-(6) show that power concentration has no significant impact on suspicious expenditure per capita. These results demonstrate that power concentration fails to improve supervision of public funds.

Table 3.5: Power concentration and suspicious expenditures (2002-2012)

	(1)	(2)	(3)	(4)	(5)	(6)
	Suspicious expenditure (log)			Suspicious expenditure per capita (log)		
Power concentration	-0.067 (0.070)	-0.109 (0.089)	-0.111 (0.083)	-0.056 (0.071)	-0.099 (0.090)	-0.111 (0.083)
Age		-0.013 (0.009)	-0.011 (0.008)		-0.014 (0.009)	-0.011 (0.008)
Tenure		-0.013 (0.012)	-0.013 (0.011)		-0.013 (0.012)	-0.013 (0.011)
Male		0.054 (0.096)	0.047 (0.089)		0.037 (0.099)	0.047 (0.089)
Ethnic		-0.103 (0.127)	-0.106 (0.129)		-0.107 (0.126)	-0.106 (0.129)
Graduate education		-0.102 (0.075)	-0.066 (0.072)		-0.105 (0.077)	-0.066 (0.072)
Home city		0.165** (0.076)	0.168** (0.073)		0.166** (0.076)	0.168** (0.073)
Population (log)			-0.799 (0.588)			-1.799*** (0.588)
Fiscal revenue (log)			0.015 (0.145)			0.015 (0.145)
GDP per capita (log)			0.794*** (0.208)			0.794*** (0.208)
Political cycle			0.171 (0.331)			0.171 (0.331)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
<i>N</i>	3575	3277	3276	3574	3276	3276
<i>R</i> <sup>2</sup>	0.115	0.116	0.131	0.098	0.099	0.123

Notes: Robust standard errors are clustered at prefecture level. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .



One concern is the quality of data. Only after 2006, the National Audit Office adopted consistent reporting standards of suspicious expenditures (Chu et al. Forthcoming). To reduce the concern, I restrict the analysis between 2006 and 2012. Table B5 in Appendix shows estimation results using suspicious expenditure data between 2006 and 2012. Columns (1) shows that power concentration has a negative and significant effect on suspicious expenditure at 10% level. After all controls in column (3), the results are consistent at significant at 10% level. Columns (4)-(6) present similar results using suspicious expenditure per capita as the outcome variable.

After employing better quality data, the estimated results show that power concentration has significant reduction effect on suspicious expenditure at 10% level. However, the effect of power concentration is not causal. I will examine the causal effect of power concentration in next section.

### **CAUSAL IDENTIFICATION**

One concern is the endogeneity of power concentration. Though I have controlled many individual characteristics and city indicators, some unobserved factors may still shape power concentration and outcome variables at the same time. For instance, leaders' political connections and personalities may be linked to their career paths and shape the operation of local congresses. To mitigate this concern, I use the instrumental variable approach.

In China, local city leaders compete against each other for career advancements. This tournament competition usually exists among local officials at the same level within the same province (Yu, Zhou and Zhu 2016). Leaders within the same administrative jurisdictions have incentives to show loyalty and competence to their principals (Lü and Landry 2014). In particular, when local leaders perceive more competition pressures from

other cities at the same province, they may be more likely to implement specific policies and comply with instructions from above.

The change of dual appoint is usually promoted by provincial governments, and gradually diffused to cities. Since 2009, prefectures in provinces such as Hubei, Fujian, Jiangxi, Shaanxi, Gansu, and Inner Mongolia gradually adopted the separation of party secretaries and congressional chairmen. For instance, in 2009, Hubei province issued a party document to require that the chairmanship of municipal congresses be held by a separate leader (other than the party secretary). This change in power configuration was gradually diffused to cities within the same province.

Thus, I use the spatial variation of dual appointment in neighboring cities in previous year as the instrument variable. To reduce the reverse casualty concern, dual appointment in neighboring cities in previous year ( $t-1$ ) is employed to instrument dual appointment in a prefecture in year  $t$ .

It is a reasonable instrument variable for several reasons. First, city's policy change may be closely related to policies in neighboring cities. Due to regional political competition within same provinces, neighboring cities' adoption of policies may exert competing pressures and motivate a city to adopt similar policies. Second, neighboring cities' legislative leadership change may not affect a city's legislative activities through any other channels. Moreover, institutions or policy changes in neighboring areas are widely used as instrument variables. For instance, Acemoglu et al. (2019) use regional waves in transition to and away from democracy as an instrument variable of democracy, Büthe and Milner (2008) employs neighboring countries' membership in international trade agreements to instrument a country's participation in these agreements.

I construct two instrument variables to deal with the endogeneity concern of power concentration. First, I use a dummy variable to capture whether neighboring cities of

prefecture  $i$  adopted dual appointment in previous year. Neighboring cities refer to prefectures sharing same geographic borders within the same provinces. I use GIS data to identify neighboring cities in the same provinces for all cities. The number of neighboring cities varies from 1 to 8. The instrument variable is equal to 1 when at least one neighboring prefecture adopted dual appointment in previous year, otherwise 0.

I construct another instrument for a robustness check. The dichotomous instrument variable above may be limited to capture spatial variations in neighboring cities. I thus use the proportion of neighboring cities in the same province that adopted dual appointment to instrument power concentration in a city. I define the instrument variable as follows:

$$IV_{ipt} = \frac{1}{N_{ip}} \sum_{j \in p}^{N_{ip}} D_{jpt-1} \quad (3)$$

where  $i$  refers to prefecture  $i$ ,  $p$  indicates the province in which the prefecture  $i$  is located, and  $t$  denotes year.  $N_{ip}$  is the total number of neighboring prefectures of  $i$  in province  $p$ .  $D_{jpt-1}$  captures whether a neighboring prefecture  $j$  in province  $p$  adopted dual appointment in the previous year ( $t - 1$ ); it equals 1 with the dual appointment, otherwise 0. This IV captures the proportion of neighboring prefectures in the same provinces that adopt dual appointment in previous year. It is a continuous variable and ranges from 0 to 1.

The instrument variable may meet the key assumptions of a valid instrument variable. The adoption of dual appointment in neighboring cities may be positively correlated with the probability of adopting dual appointment in city  $i$ ; however, the adoption of dual appointment in other cities in the same province may be unlikely to directly affect legislative activities in city  $i$ . The only channel through which the instrument variable affects outcome variables is through the dual appointment in prefecture  $i$ .

Table 3.6: Instrument Variable I: Power concentration and legislators' policy proposal

	(1)	(2)	(3)	(4)	(5)	(6)
	Proposal (log)			Proposal per capita (log)		
Panel A: Second Stage						
Power concentration	-1.019*** (0.358)	-1.592** (0.669)	-1.548** (0.642)	-0.949*** (0.349)	-1.714** (0.818)	-1.663** (0.783)
Wald F Statistic	27.820	269.036	283.036	24.709	29.556	31.340
$N$	2244	2112	2111	2052	1933	1932
$R^2$	0.027	0.014	0.007	0.043	0.027	0.007
Panel B: First Stage						
Neighboring concentration dummy ( $t - 1$ )	0.134*** (0.044)	0.092** (0.036)	0.094*** (0.036)	0.132*** (0.046)	0.080** (0.036)	0.081** (0.035)
Individual controls		Y	Y		Y	Y
City controls			Y			Y
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y

Notes: The analysis uses instrumental variables and two-stage least squares for panel-data models. Robust standard errors are clustered at prefecture level. Individual controls include age, gender, ethnic, education, and home city. City controls include population (logged), fiscal revenue(logged), GDP per capita (logged), and political cycle. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

To determine whether the two instrumental variables meet the exclusion restriction assumption, i.e., the only channel through which instrument variables affect outcome variable is the endogenous variable (power concentration), I conduct a test. Table B6 in Appendix presents the estimated results. In Panel A, the results show that the instrument variable, neighboring concentration dummy, has a positive and significant impact on power concentration, and has no significant influence on covariants such as social unrest, political competition, population, fiscal revenue, and GDP per capita. This indicates that the instrument variable may satisfy the exclusion restriction condition. In Panel B, the results demonstrate that the second instrument variable, neighboring concentration proportion, is significantly correlated with power concentration at 1% level, and has no significant consequence on other covariants. The only exception is that the instrument variable is linked to population at 10% level. As shown in Table 3.1, population has no significant

effect on policy proposal. Population is also controlled in the analysis. This may not be a big concern.

Table 3.7: Instrument Variable II: Power concentration and legislators' policy proposal

	(1)	(2)	(3)	(4)	(5)	(6)
	Proposal (log)			Proposal per capita (log)		
Panel A: Second Stage						
Power concentration	-0.480**	-1.172**	-1.138**	-0.499**	-1.283*	-1.256*
	(0.206)	(0.578)	(0.566)	(0.218)	(0.658)	(0.651)
Wald F statistic	31.904	396.750	414.773	28.808	37.718	39.401
$N$	2244	2112	2111	2052	1933	1932
$R^2$	0.027	0.015	0.005	0.044	0.029	0.010
Panel B: First Stage						
Neighboring concentration proportion ( $t - 1$ )	0.250***	0.115***	0.117***	0.252***	0.111**	0.111**
	(0.054)	(0.044)	(0.044)	(0.057)	(0.045)	(0.045)
Individual controls		Y	Y		Y	Y
City controls			Y			Y
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y

Notes: The analysis uses instrumental variables and two-stage least squares for panel-data models. Robust standard errors are clustered at prefecture level. Individual controls include age, gender, ethnic, education, and home city. City controls include population (logged), fiscal revenue(logged), GDP per capita (logged), and political cycle. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

I evaluate the causal effect of power concentration on policy proposals. I employ instrumental variables and two-stage least squares for panel-data models as the main specification. Table 3.6 presents the estimated results using the first instrument variable. In panel B, the first stage results indicate that neighboring dual appointment dummy in  $t - 1$  is positively and significantly correlated to the dual appointment across all specifications. It suggests that a city may be more likely to adopt dual appointment when at least one neighboring city had the dual appointment. The relevance assumption of IV can be satisfied. Wald F statistics are larger than 10 from columns (1) to (6), which rules out the

weak instrument variable concern. The Panel A shows the second stage results. Power concentration has a negative and significant effect on both total number of policy proposals and proposal per capita. The results are consistent after controlling individual and city indicators, and city and year fixed effects. I draw a similar conclusion with those in Table 1. The reduction effect of power concentration is robust after dealing with the endogeneity concern.

Table 3.8: Instrument Variable I: Power concentration and suspicious expenditure (2002-2012)

	(1)	(2)	(3)	(4)	(5)	(6)
	Suspicious expenditure (log)			Suspicious expenditure per capita(log)		
	Panel A: Second Stage					
Power concentration	-0.488 (0.889)	-0.686 (1.245)	-0.866 (1.198)	-0.450 (0.896)	-0.671 (1.254)	-0.866 (1.198)
Wald F statistic	130.902	1177.423	1218.159	110.736	368.250	407.067
$N$	3252	3002	3001	3251	3001	3001
$R^2$	0.039	0.020	0.011	0.051	0.036	0.054
	Panel B: First Stage					
Neighboring concentration dummy ( $t - 1$ )	0.125*** (0.036)	0.092*** (0.027)	0.093*** (0.027)	0.124*** (0.036)	0.092*** (0.027)	0.093*** (0.027)
Individual controls		Y	Y		Y	Y
City controls			Y			Y
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y

Notes: The analysis uses instrumental variables and two-stage least squares for panel-data models. Robust standard errors are clustered at prefecture level. Individual controls include age, gender, ethnic, education, and home city. City controls include population (logged), fiscal revenue(logged), GDP per capita (logged), and political cycle. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Table 3.7 shows the estimated results using the second instrument variable. Panel B confirms that the proportion of dual appointment in neighboring cities has a positive and significant impact on power concentration in a city at 5% or 1% level. Panel A shows that power concentration significantly reduces the number of proposals and proposal per capita.

The estimated coefficients are much larger than those in Table 1, which implies that the power concentration effect becomes more salient after addressing the endogeneity issue.

Table 3.9: Instrument Variable II: Power concentration and suspicious expenditure (2002-2012)

	(1)	(2)	(3)	(4)	(5)	(6)
	Suspicious expenditure (log)			Suspicious expenditure (log)		
	Panel A: Second Stage					
Power concentration	0.306	0.678	0.194	0.364	0.773	0.194
	(0.696)	(1.350)	(1.238)	(0.702)	(1.366)	(1.238)
Wald F statistic	133.424	1212.275	1505.126	112.495	376.595	487.135
$N$	3252.000	3002.000	3001.000	3251.000	3001.000	3001.000
$R^2$	0.017	0.011	0.000	0.009	0.005	0.057
	Panel B: First Stage					
Neighboring concentration proportion ( $t - 1$ )	0.216***	0.115***	0.116***	0.216***	0.114***	0.116***
	(0.052)	(0.038)	(0.038)	(0.052)	(0.038)	(0.038)
Individual controls		Y	Y		Y	Y
City controls			Y			Y
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y

Notes: The analysis uses instrumental variables and two-stage least squares for panel-data models. Robust standard errors are clustered at prefecture level. Individual controls include age, gender, ethnic, education, and home city. City controls include population (logged), fiscal revenue(logged), GDP per capita (logged), and political cycle. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Second, I examine whether power concentration strengthens legislative oversights between 2002 and 2012. Table 3.8 presents the estimated results. Panel B shows that neighboring dual appointment dummy has a positive and significant on power concentration. It provides supporting evidence for the relevance assumption of IV. However, Panel A indicates that power concentration has no significant impact on suspicious expenditures in both periods across all specifications. In Table 3.9, I employ the second instrument variable to estimate the results. Similarly, Panel B shows that the proportion of dual appointment in neighboring cities is positively and significantly linked to power concentration. However, as shown in Panel A, the effect of power concentration is insignificant in all specifications.

In addition, Table B5 shows that power concentration has significant reduction effect on suspicious expenditure between 2006 and 2012. I use the two instrument variables to test the robustness of the results. In Table B7, the second stage results show that power concentration has no significant impact on suspicious expenditure after using the first instrument variable. Similarly, Table B8 show that power concentration has no evident consequence on suspicious expenditure using the second instrument variable. Both results indicate that power concentration has no salient consequence on suspicious expenditure between 2006 and 2012 after dealing with the endogeneity issue.

In summary, I employ the adoption of dual appointment in neighboring cities in the previous year to instrument dual appointment in a city. The results show that power concentration significantly reduces the number of policy proposals from legislators. Power concentration may prevent bottom-up information flows, and legislators become less likely to tape local knowledge in congresses. Moreover, I demonstrate that power concentration has no salient impact on legislative oversights after addressing endogeneity issues. It shows that power concentration may be limited in terms of monitoring government budgets and improving local governance.

## **CONCLUSION**

This study examines whether and how power concentration could shape legislative politics. I use the dual appointment of party and legislative leaders to identify power concentration and illustrate how the interaction of ruling party and legislatures shapes local legislative politics. My empirical analysis shows that power concentration could impede upward information flows from legislators and have no salient impact on the supervision of executive power. Though dual appointment may allow the ruling party to directly control congresses and have a large say in the appointment or removal of state officials and



legislative agenda setting. it is costly and exerts negative consequences on the operation of local legislatures.

While the study focuses on local congresses in China, it may have broad implications. Local congresses are an important institutional channel to transfer local information from citizens to local party and government agents (Manion 2015). I demonstrate that the information gathering role of local congresses is not constant. Strengthened authority of legislative leaders may dampen the informational function of congresses. Delegates may conceal local grievances and become less likely to serve as bridges of rulers and citizens. As a result, the quality of bottom-up information may be deteriorated, and bad news can be filtered. Leaders rely on low-quality information to make decisions and promote policy implementation.

This study illustrates potential consequences of power concentration. I use dual appointment of party and legislative leaders to identify power concentration, which ensures top party leaders to control appointment or removal of local officials, lawmaking, oversight of executive power, and other party and legislative resources. Power tends to be concentrated in the hands of a single leader and faces weak constraints. Geddes et al. (2018) show that the defining feature of personalism is the concentrated power that top leaders have dominant discretion over power instruments such as promotion, removal or punishment of officials. Dual appointment may facilitate power concentration and foster cult of personality, which may be at the cost of inhibiting bottom-up information flows and then undermining the quality of policymaking.

Moreover, this study demonstrates that strong ruling party control may be inadequate to improve oversight of executive power. In recent years, China strengthens ruling party control in various government, legislative, and judicial institutions to curb corruption and improve local governance. Yet the study reveals that strong party control

over congresses have no salient consequence on oversight of executive power, proxied by misuse of government funds. Strengthening ruling party control may not achieve intended results.

In addition, this study focuses on how dual appointment shapes legislative politics between 2002 and 2012. After 2012, China has initiated massed anti-corruption campaigns, and power becomes more concentrated at higher level of governments. It is unclear how these political changes shape legislative politics. I leave this question to be answered in future research.

I mainly use the number of policy proposals to capture bottom-up information flow. Power concentration may alter both contents and quantities of policy proposals. After perceiving rising power of legislative leaders, legislators may submit less harsh or critical policy suggestions, or avoid revealing severe social problems. Even if legislators submit the same number of policy proposals, power concentration may still undermine quality of information from below. This study only shows that power concentration reduces the number of policy proposals. The negative consequences of power concentration on information flow may be underestimated. Due to data limitation, detailed contents of policy proposals at local congresses are not available. Future research may find a proper measurement of proposal contents and test this argument.

## **Chapter 4: Corruption Monitoring and the Supply of Politicians in China<sup>26</sup>**

### **INTRODUCTION**

Human capital is a crucial resource for a government to function well. A professionalized and capable bureaucracy is the mark of the modern state (Weber 1978). The quality of political leaders impacts economic performance and the provision of public goods (Grossman and Hanlon 2014). A wide range of literature examines who chooses to become a politician in electoral politics (e.g., Besley and Reynal-Querol 2011; Fisman et al. 2015). However, there is a paucity of research on the supply of politicians in nondemocracies. Nondemocracies have unique logics and a variety of distinct mechanisms that contribute to the supply of politicians. For instance, nondemocracies are less inclusive than democracies when it comes to recruiting elites. Nondemocracies also tend to select less competent elites to fill political positions (Besley and Reynal-Querol 2011; Dal Bo et al. 2017).

Corruption monitoring institutions may play an important role in the supply of politicians. Institutions with poor accountability have a lower opportunity cost of corruption (in other words the risk of being caught is low), which allows rampant corruption and shirking (Platteau and Gaspart 2003) and motivates businessmen to run for office to further their business interests (Gehlbach, Sonin and Zhuravskaya 2010). Corrupted politicians even attract low-quality politicians to enter government (Caselli and Morelli 2004; Klačnja, Little and Tucker 2018). In contrast, the monitoring institution is an efficient instrument for reducing corruption and for improving government performance (Chen and Kung 2019; Li, Pang and Wu 2019). A rich literature documents the positive

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effects of corruption monitoring institutions. However, the link between monitoring corruption and the supply of politicians in nondemocracies is under-investigated.

To help fill this gap, this article employs China as a case to examine the political consequence of corruption monitoring. As the largest authoritarian regime, China provides a proper setting for examining this issue. In China's one-party system, politicians are mainly selected from a limited pool of public employees. To become a national leader, a prospective elite needs to enter a political career path at a young age and climb the administration ladder from the bottom (Li and Walder 2001; Landry, Lü and Duan 2018). It is for this reason that the supply of public employees at the entry level is fundamental for the quality of future politicians. Moreover, limited rules or tools are available, or are used, to restrain the malfeasance of bureaucrats in China. Government officials have various rent-seeking opportunities as the scope of market reform has enlarged since the 1990s (Wedeman 2012). However, to counteract this growth in corruption, the Chinese government has initiated several rounds of anti-corruption campaigns to curb the spread of corruption, with the strongest being the Anti-corruption Campaign started in 2013.

I combine three waves of Chinese College Student Survey (CCSS) and corruption investigation data to examine the supply of potential politicians at the entry level. I demonstrate that corruption monitoring may fail to increase the supply of capable political candidates. Instead, the increase in corruption investigation pushes capable young elites away from seeking government positions. The results are robust and consistent under different specifications.

Specifically, I argue that this effect may be driven by two possible mechanisms: economic returns and career prospects. First, capable young elites have better prospects for economic returns in the private sector and thus they incur a high opportunity cost if they serve in government. Corruption investigations may reduce the expected economic returns

for government officials, undermining capable young elite' willingness and efforts to become government officials. The empirical results show that capable young elites expect a higher level of income, which lowers their likelihood of seeking a political career. Second, corruption investigations may signal the uncertainties and risks of a political career, which weakens capable young elites' expectations about their political career prospects. The empirical results demonstrate that the downfall of government leaders rather than bureaucrats reduces the likelihood that capable young elites compete for government jobs. This reduction effect is more pronounced in areas with a prosperous market economy.

### **CORRUPTION INVESTIGATION AND THE SUPPLY OF POLITICIANS**

In nondemocracies, corruption investigation may shape the supply of potential politicians through two possible channels: economic returns and career prospects.

First, the economic return mechanism assumes that material interests shape the supply of capable politicians. Individuals with high ability can obtain more opportunities in private sectors and thus have a high opportunity cost if they choose to serve in government (Caselli and Morelli 2004). Hence, if the salary increases for politicians, the quality of politicians will also increase (Ferraz and Finan 2009). In contrast, the reduction of salary would disproportionately induce skilled politicians to exit public offices and enter the private sector (Keane and Merlo 2010).

However, some studies doubt the positive role of pecuniary return in attracting capable elites in democracies. Pursuing a political career is self-selective. Higher salaries may reduce the ability threshold at which potential political candidates tend to run for public office (Fisman et al. 2015; Mattozzi and Merlo 2008). For instance, Fisman et al. (2015) present that high salaries lower the quality of elected Members of the European Parliament (MEPs). Similarly, Poutvaara and Takalo (2007) show that the rise of material

reward may reduce the average candidate quality when the campaigning costs are quite high.

These mixed results may be due to the heterogeneity of institutional contexts. Political accountability in nondemocracies is inherently weak. Nondemocracies tend to suffer from pervasive corruption. The pecuniary return of public offices thus includes both wages and rents. Rent extraction increases the supply of politician (Fisman, Schulz and Vig 2014). In contrast, corruption investigations reveal the enforcement of monitoring institutions, which may diminish the predicted rent-seeking opportunities of politicians and lower their pecuniary return. This could explain why corruption investigations could reduce the willingness of capable elites to serve in nondemocracies.

Despite pecuniary return, nonpecuniary concerns are also important determinants of the supply of capable politicians. Notably, career prospects play a prominent role in the supply of politicians. In the ambition theory, Schlesinger (1966) argues that politicians have ambitions to move upwards and so they act in the present in ways that make them stronger candidates for the official positions they hope to serve in the future. For instance, career ambitions compel individuals to run for office or engage in legislative activities in the US (Høyland, Hobolt and Hix 2019; Lawless 2012). And it has been shown that in Brazil, ambitious legislators strategically use parties to advance their career (Desposato 2006).

Career prospects may motivate young elites to serve in public office. In authoritarian regimes, the selection of good politicians matters for political stability and regime resilience (Acemoglu, Egorov and Sonin 2010). Authoritarian regimes have strong incentives to recruit capable political candidates. In China's context, political selection at the subnational level tends to be merit-based (Li and Zhou 2005; Lü and Landry 2014). Hence, capable young elites have a better chance to enter government and advance their

careers. Young elites are attracted by the political power and the prestige of public office. The example of the career development of alumni politicians and the high social status of government officials contributes to motivating young elites to pursue a political career (Liu and Wang 2017).

However, political ambition is not stable. Individuals adjust their career choices in response to macro political and economic changes. Corruption investigations, especially the investigation of government leaders, may shift young elites' expectations about their career prospects. Authoritarian regimes have intense interjurisdiction political competition (Lü and Landry 2014). This power competition may drive the anti-corruption efforts. Authoritarian leaders may utilize anti-corruption campaigns to target rivals' power in response to fierce power competition (Zhu and Zhang 2017).

Rule of law is generally weak in authoritarian regimes. The anti-corruption effort may indicate serious political purges as well as power struggles. This increases the uncertainties and risks of a political career, which may undermine the young elites' political ambition.

## **MONITORING CORRUPTION AND ELITE RECRUITMENT IN CHINA**

China has a long history of meritocracy. The government uses civil service exams and merit-based promotion to recruit officials (Elman 2013). In contemporary China, the civil service exam is the primary channel for citizens entering government. The Chinese government sought to improve civil service performance by introducing more competitive selection processes (Burns and Wang 2010). The National Civil Service Examination (NCSE) was initiated in the 1990s. The government gradually expanded the application of the civil service exam system to different levels of government. Since the Civil Service Law of 2006, all entry-level political positions have to be recruited from a pool of people

who have taken the civil service exam. Both central and local governments have adopted the civil service exam to recruit bureaucrats (Ko and Han 2013). The introduction of NCSE provided an opportunity for millions of young people to compete for public positions at the entry-level, thereby institutionalizing government recruitment process (Liu 2019).

In China, government employees are better paid and enjoy better non-pecuniary benefits than non-government employees (Huang 2014; Li et al. 2014). Government officials also have various rent-seeking opportunities as the scope of market reform has enlarged (Wedeman 2012). Moreover, holding government positions has high social esteem and brings glory to families and clans (Liu and Wang 2017).

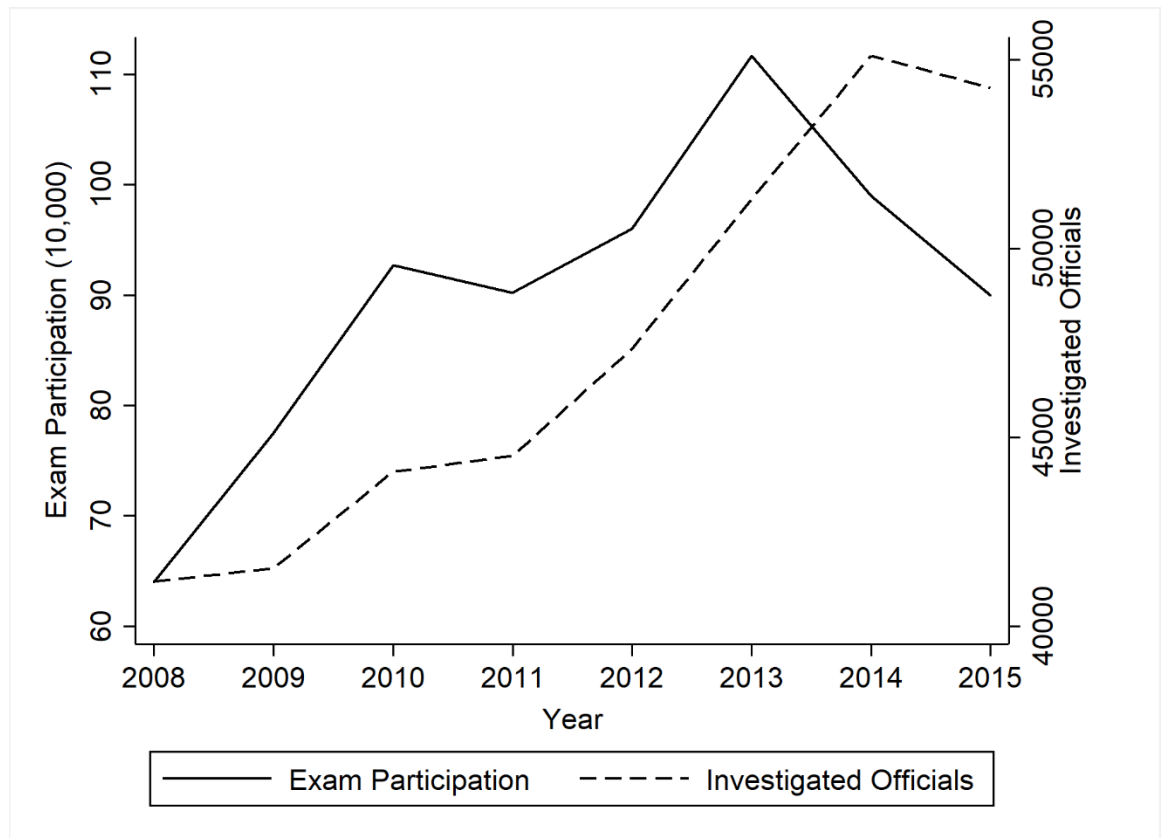


Figure 4.1: Investigated Officials and Civil Service Exam Participators



Young elites have a high desire to compete for government positions. Figure 4.1 depicts the trend of NCSE participants and investigated officials. In 2008, about 0.64 million citizens participated in the NCSE. The number increased by 71.9% and reached 1.1 million in 2013. After the start of Anti-corruption Campaign in 2013, the increased interest in participating in the NCSE changed. In 2015, the number of NCSE participants sharply decreased to 0.9 million.<sup>27</sup> Before the Anti-corruption Campaign, the NCSE recruitment rate (the available government job positions divided by the NCSE participants) was about 1.69 % in 2011.

Due to the decline of NCSE participants, the recruitment rate increased to 2.5% in 2015. Competition for government positions became less fierce. Moreover, the number of civil service exam participants varies across provinces. Figure C1 depicts the distribution of civil service exam participants. In general, citizens living in less developed areas (western provinces) were more enthusiastic about competing for government positions.

China has strengthened anti-corruption efforts in recent years. Routine anti-corruption enforcement has not worked to institutionalize the relevance of law and curb pervasive corruption. This is what led to China initiating the widespread Anti-corruption Campaign in 2013. As Figure 1 shows, the number of investigated officials increased by 8.07 % from 2008 to 2011 and increased by 14.60 % between 2012 to 2015.<sup>28</sup> And 120 senior officials at provincial-level or above were investigated between 2012 and 2017. A much larger number of officials were punished by internal party disciplines. For instance, the Chinese Communist Party (CCP) announced the Eight-Point Regulation issued in December 2012 to constrain officials' behavior. These regulations were aimed at banning

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<sup>27</sup> The NCSE participants data is collected from Sina Education: Available from [edu.sina.com.cn/official/2017-10-18/doc-ifymvuyt3948469.shtml](http://edu.sina.com.cn/official/2017-10-18/doc-ifymvuyt3948469.shtml), accessed 20 July 2019.

<sup>28</sup> The total number of investigated officials is collected from the annual report of the Supreme People's Procuratorate in China.

bribes and luxury consumption by government officials, and reducing ceremonies, banquets and meetings. About 0.26 million government officials were sanctioned for violating the Eight-Point Regulation in the period between 2012 to 2017.<sup>29</sup>

However, Figure 4.1 only presents the general trends. It is still unclear whether corruption investigation contribute to the decline of civil service exam participants in China. The variation of anti-corruption efforts across provinces and years allows me to investigate the consequence of corruption investigation on the supply of potential politicians at entry level.

## **DATA AND VARIABLE**

### **Data**

In this article, I mainly employ the three waves of the Chinese College Student Survey (CCSS) from 2010, 2013 and 2015. The CCSS was conducted by the China Data Center at Tsinghua University. The data set provides rich information on students' individual characteristics, family background, academic performance, and career preference, allowing me to investigate the nexus of corruption monitoring and the supply of political candidates.

The CCSS utilized stratified random sampling to collect the samples. One hundred colleges were drawn at random from China's 2305 colleges. Next, stratifying variables were used to sample colleges from the 100 colleges according to college location (Beijing, Shanghai, Tianjin, northeastern China, eastern China, central China, and western China) and college type (elite and non-elite) (Li et al. 2012). Undergraduate students in a

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<sup>29</sup> Central Commission for Discipline Inspection (CCDI) website: Available from [www.ccdi.gov.cn/yaowen/201712/t20171204\\_151067.html](http://www.ccdi.gov.cn/yaowen/201712/t20171204_151067.html), accessed 20 July 2019.

graduating class were randomly selected from each college. In the analysis, samples are weighted to represent the population.

### **Variable**

The key dependent variable is the supply of politicians. Two variables are used to capture the supply of potential politicians. First, I construct the government career preference dummy to capture students' willingness to enter government. The CCSS asked students about their ideal workplaces including government and party branches, social organizations, public institutions, SOEs, foreign enterprises and private enterprises. If a student prefers to work in government and party branches, the government career preference is coded as 1, otherwise it is coded as 0. Second, I use whether respondents took the civil service exam to identify their actual behaviors of competing for government positions. Taking civil service exam is coded as 1, otherwise 0.

The key independent variable is corruption monitoring. The article mainly utilizes investigated officials per capita to proxy corruption monitoring. The investigated officials per capita refers to the number of investigated officials in each province divided by the number of public employees in that province. Provincial annual procuratorate reports provide the number of investigated officials in the past year. The number of public employees was collected from the China Statistical Yearbook. I then matched investigated officials per capita with students' home provinces. In the sample, 61.30% of students attend college in their home provinces. Students' family networks are embedded in local political and economic context. Hence, they may often perceive the governments' anti-corruption efforts through kinship networks.

One concern is that the number of corruption investigations may reflect corruption level rather than the strength of corruption monitoring. China has a limited checks and

balances system set up to restrain the malfeasance of bureaucrats. Corruption is pervasive and its growth can be substantial (Manion 2004). Yet I show that corruption investigations are more likely to demonstrate the government's anti-corruption effort in Figure C2.

I use the College Entrance Examination (CEE) score to identify ability. Educational attainment is widely used to measure the quality of political candidates (Besley and ReynalQuerol 2011; Dal Bó et al. 2017; Ferraz and Finan 2009; Galasso and Nannicini 2011). In China, CEE scores are almost the only criteria used for determining college admissions. Senior high school students devote great efforts to improve their scores. CEE scores are essentially effective measures of student ability (Li et al. 2012). Students need to take the exam in their home province. The maximum score is 750 in nearly all provinces. Exam contents vary in different provinces and in different years. To make the CEE score comparable, the CEE score is normalized by provinces and years.

Furthermore, I control for a series of covariants in the analysis. For instance, political connection plays an important role in political selection (Landry, Lü and Duan 2018; Shih, Adolph and Liu 2012). For entry level political positions, family background is a critical source of political connection. In China, the children of government officials have a higher possibility of entering an elite college, of enjoying wage premiums, and they have a higher possibility of being recruited into government (Li et al. 2012; Liu 2019; Yang and Chen 2016). Individuals are viewed to have a political connection if at least one of the parents is a senior government or enterprise leader.<sup>30</sup> I also control for parent Communist Party member dummy, parental educational levels, and annual income to capture parental social economic status.

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<sup>30</sup> The survey does not distinguish government or enterprises' leaders. Senior government and enterprise leaders are in the same category.

Elite colleges are a crucial source of future politicians because elite college students may be more likely to choose a political career (Liu and Wang 2017). The elite college dummy is also controlled. In China, elite colleges are commonly referred to as the Project-211 universities, and they account for about 4.8% of total colleges.

Students' demographic characteristics matter for the supply of politicians. I control for gender, age, and rural household registration status (*hukou*). In addition, individual ideological position is a crucial determinant of serving in government. I use students' Communist Party membership to capture the influence of ideological position. In the Chinese political system, political elites tend to transform from technocrats to economic regulators with the legal and economic discipline background (Li 2008). Students in the social science majors tend to have a higher chance for entering government. The social science major dummy is thus controlled.<sup>31</sup> College academic performance is an important indicator of students who attempt to enter graduate school and find jobs. I use college grade rank to capture their academic performance.<sup>32</sup>

Economic development and corruption are closely linked. Corruption can hinder economic development by lowering investment, by reducing human capital, and by discounting government spending (Mauro 1995; Wei 1999). Economic development creates various rent-seeking opportunities. Thus, I employ provincial GDP per capita to capture the influence of economic development. The descriptive statistics are shown in Table C1.

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<sup>31</sup> Social science dummy is 1 if students' disciplines are law, sociology, economics, political science or public administration, otherwise is coded as 0.

<sup>32</sup> The college grade rank has 5 categories. It shows students' relative position in related majors. The rank has five categories: top 5% (5), top 5% - 20% (4), top 20% - 50% (3), 50% - 80% (2), and bottom 20% (1).

## **EMPIRICAL RESULTS**

The article mainly investigates whether corruption investigations attract or alienate capable young elites. I first use a binary logistical model to check if corruption investigation directly shapes the supply of potential politicians.

Table 4.1 reports the baseline results. Columns (1) and (4) show the baseline results including only investigated officials per capita and province and year dummies. The coefficients on investigated officials per capita are positive but insignificant. After adding demographic and family background controls in column (2) and (5), the coefficients on investigated officials per capita are still insignificant. In columns (3) and (6), I further incorporate GDP per capita to proxy for local economic development. The coefficients on investigated officials per capita have no salient effects on government career preference or civil service exam participation.

Overall, Table 4.1 reveals that the enforcement of corruption monitoring has no direct consequence on the supply of politicians across different specifications. The results provide evidence that monitoring institution in nondemocracies may be limited to promote the supply of politicians.

Table 4.1: Monitoring Corruption and the Supply of Politicians

	(1)	(2)	(3)	(4)	(5)	(6)
	Government career preference			Civil service exam		
Investigated officials per capita (t-1)	0.026 (0.022)	0.027 (0.019)	0.025 (0.017)	0.007 (0.018)	-0.013 (0.018)	-0.011 (0.017)
Ability		0.002 (0.081)	0.002 (0.081)		0.047 (0.090)	0.047 (0.090)
Age		0.030 (0.048)	0.031 (0.048)		0.111** (0.044)	0.111** (0.044)
Male		0.616*** (0.139)	0.614*** (0.139)		0.036 (0.211)	0.038 (0.210)
Party member		0.520*** (0.112)	0.519*** (0.112)		0.552*** (0.154)	0.553*** (0.152)
Rural Hukou		-0.055 (0.119)	-0.056 (0.119)		-0.190** (0.084)	-0.189** (0.085)
Elite college		-0.866* (0.524)	-0.868* (0.526)		-0.156 (0.416)	-0.155 (0.415)
College grade rank		0.008 (0.053)	0.007 (0.053)		-0.105** (0.049)	-0.105** (0.049)
Social science major		0.727*** (0.185)	0.727*** (0.185)		0.881*** (0.248)	0.880*** (0.249)
Parent education		0.092 (0.173)	0.092 (0.173)		0.215* (0.129)	0.217* (0.127)
Parent party member		0.478*** (0.117)	0.477*** (0.117)		0.615*** (0.174)	0.617*** (0.175)
Parent income (logged)		-0.003 (0.018)	-0.003 (0.018)		0.027 (0.023)	0.027 (0.023)
Political connection		0.469* (0.268)	0.469* (0.268)		0.239 (0.187)	0.239 (0.188)
GDP per capita (logged) (t-1)			-0.289 (0.925)			0.432 (1.602)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
N	10537	6078	6078	10572	5813	5813
Pseudo $R^2$	0.096	0.174	0.175	0.073	0.144	0.144

Notes: Robust standard errors clustered at college level are in parentheses. Estimates of constant are not reported. All regressions are weighted to represent the population. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

I then investigate whether the consequence of corruption investigation is conditional on an individual's ability. The following model is the main specification of the study:

$$\log\left(\frac{P_{ijt}}{1-P_{ijt}}\right) = \alpha_0 + \alpha_1 M_{jt-1} \times A_{ijt} + \alpha_2 M_{jt-1} + \alpha_3 A_{ijt} + \alpha_4 X_{ijt} + \alpha_5 X_{jt-1} + \gamma_j + \delta_t \quad (4)$$

where  $i$  indicates individual,  $j$  denotes province, and  $t$  refers to year.  $P_{ijt}$  is the probability that individual  $i$  prefers a political career or participates the civil service exam.  $M_{jt-1}$  is monitoring corruption, which is investigated officials per capita at province  $j$  in the previous year.  $A_{ijt}$  captures individual  $i$ 's ability.  $X_{ijt}$  is the vector of individual  $i$ 's demographic characteristics.  $X_{jt-1}$  is provincial covariant.  $\gamma_j$  is a set of province fixed effects.  $\delta_t$  captures year fixed effects. To reduce the heteroscedasticity of disturbance, robust standard error is clustered at college level. All regressions are weighted to represent the population.

In Table 4.2, column (1) depicts the baseline results. The coefficient for the interaction term is negative and significant at 5% level. After adding demographic controls in column (2), the magnitude of coefficient becomes larger and significant at 5% level. Column (3) adds both demographic controls and provincial GDP per capita. The result is consistent and similar. The enforcement of corruption monitoring evidently reduces capable young elites' willingness to serve in government.

Participating in the civil service exam reveals students' actual behavior when it comes to seeking a political career. Columns (4) to (6) of Table 4.2 estimate the conditional effect of monitoring corruption on the probability of participating in the civil service exam. Column (4) presents the baseline results. The estimated coefficient for the interaction term is negative and significant at 1% level. I incorporate demographic controls in column (5), the coefficient of the interaction term is still negative and significant at 1% level. After adding all controls in column (6), the magnitude of the coefficient is similar and significant.



Table 4.2: Monitoring Corruption and the Supply of Politicians

	(1)	(2)	(3)	(4)	(5)	(6)
	Government career preference			Civil service exam		
Investigated officials per capita (t-1) $\times$ Ability	-0.012** (0.005)	-0.015** (0.006)	-0.015** (0.006)	-0.020*** (0.004)	-0.024*** (0.006)	-0.024*** (0.006)
Investigated officials per capita (t-1)	0.019 (0.021)	0.017 (0.019)	0.015 (0.017)	-0.007 (0.019)	-0.025 (0.017)	-0.023 (0.016)
Ability	0.374** (0.150)	0.486*** (0.185)	0.488*** (0.187)	0.640*** (0.178)	0.756*** (0.230)	0.753*** (0.232)
Age		0.030 (0.048)	0.030 (0.048)		0.116*** (0.043)	0.116*** (0.043)
Male		0.621*** (0.137)	0.619*** (0.137)		0.037 (0.210)	0.038 (0.209)
Party member		0.521*** (0.115)	0.520*** (0.115)		0.567*** (0.156)	0.568*** (0.153)
Rural Hukou		-0.047 (0.118)	-0.048 (0.119)		-0.177** (0.082)	-0.176** (0.083)
Elite college		-0.880* (0.520)	-0.882* (0.522)		-0.157 (0.411)	-0.157 (0.410)
College grade rank		0.006 (0.053)	0.006 (0.053)		-0.110** (0.049)	-0.110** (0.049)
Social science major		0.719*** (0.181)	0.719*** (0.180)		0.874*** (0.242)	0.873*** (0.242)
Parent education		0.089 (0.179)	0.090 (0.179)		0.220* (0.127)	0.221* (0.124)
Parent party member		0.480*** (0.117)	0.478*** (0.117)		0.624*** (0.171)	0.625*** (0.173)
Parent income (logged)		-0.004 (0.019)	-0.004 (0.018)		0.028 (0.023)	0.027 (0.023)
Political connection		0.466* (0.262)	0.466* (0.262)		0.214 (0.191)	0.214 (0.192)
GDP per capita (logged) (t-1)			-0.366 (0.930)			0.367 (1.630)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
<i>N</i>	9432	6078	6078	9456	5813	5813
Pseudo <i>R</i> <sup>2</sup>	0.102	0.176	0.176	0.081	0.147	0.147

Notes: Robust standard errors clustered at college level are in parentheses. Estimates of constant are not reported. All regressions are weighted to represent the population. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

The results indicate that the enforcement of corruption monitoring decreases the likelihood of capable young elites to take the civil service exam. Overall, Table 4.2 demonstrates that monitoring corruption can reduce the supply of capable young elites who opt to serve in government. The results are robust using different dependent variables and various specifications.

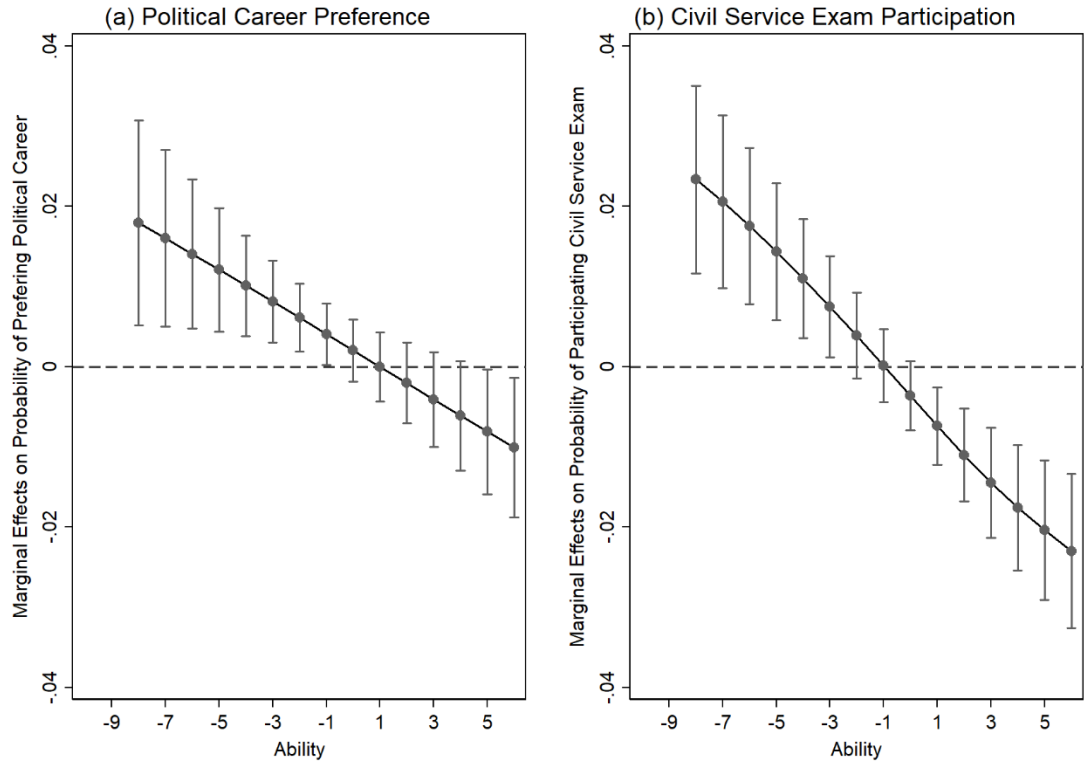


Figure 4.2: Monitoring Corruption, Ability on the Supply of Politicians

Notes: Figure 4.2(a) uses the estimated results in column (3) in Table 4.2 and demonstrates the average marginal effect of corruption investigation on preferring a political career. Figure 4.2(b) adopts the estimated results in column (6) in Table 4.2 and shows the average marginal effect of corruption investigation on civil service exam participation. The two figures indicate the 90% confidence intervals of the marginal effects.

To facilitate interpretation, Figure 4.2 shows the average marginal effect of corruption investigation on the supply of potential politicians at different levels of innate ability. Figure 4.2 (a) shows that the average marginal effect of corruption monitoring on political career preference decreases as the ability increases. Figure 4.2 (b) presents that average marginal effect of corruption monitoring on the likelihood of taking civil service exam decreases as the ability increases. Additionally, the magnitude of marginal effect on

civil service exam participation is larger than that of political career preference at the same ability level.

Despite the main results, Table 4.1 and 4.2 suggest that several individual characteristics have a significant impact on the supply of politicians. Male students have a stronger tendency to serve in government than female students, yet they have no salient difference in taking the civil service exam. Students' Communist Party membership is a strong predictor of the supply of politicians: party members are more likely to prefer a political career and are more likely to take the civil service exam. Similarly, if students have at least one parents who is party member, they have a higher likelihood of preferring a political career and of competing for government positions. Students in social science majors have a higher probability of choosing a political career and of taking the civil service exam. Political connection has a positive effect on the likelihood of selecting a political career, yet it has no salient consequence on the chance that someone takes the civil service exam.

## **ROBUSTNESS CHECK**

In this section, I conduct several robustness checks to confirm the main results. The regression results of the robustness checks are shown in the Appendix.

First, I employ alternative empirical specifications. The main results adopt a binary logistic model. Though logistic models may estimate the Conditional Expectation Function (CEF) for binary outcomes more closely, that matters little when it comes to estimating marginal effects. Binary logistic models obtain lower estimation efficiency than linear models do when the prior distribution of probability is moderate (Angrist and Pischke 2008). The estimation results by a linear probability model are less complicated and is easier to interpret. Thus, I replicate the main results using linear probability models in

Table C2. The results reveal that the coefficients of interaction term of investigated officials per capita and ability are negative and significant across all specifications. Both linear and non-linear models draw consistent and similar conclusions.

Multiplicative interaction models raise concerns such as non-linear interaction effects and excessive extrapolation, I follow Hainmueller, Mummolo and Xu (2019) in using a binning estimator to address the issue. Figure C3 (a) presents that corruption monitoring only has a significant and positive effect on political career preference for individuals with a low level of ability. Figure C3 (b) demonstrates that corruption monitoring has a significant reducing effect on individuals with medium or high levels of ability taking the civil service exam. The results confirm that corruption monitoring may reduce the number of capable young elites who compete for government positions.

Furthermore, Figure C3 implies that most respondents have a nominalized CEE score within the range  $[-3,3]$ . One concern is that the main results may be driven by extreme values of ability, which could be misleading and biased. To mitigate this concern, I restrict the analysis for respondents whose ability lies within the range  $[-3,3]$ . In Table C3, the estimated results are consistent with the main findings. Figure C4 (a) indicates that corruption monitoring only significantly attracts individuals with low ability to prefer a political career; Figure C4 (b) reveals that corruption monitoring significantly reduces the likelihood of individuals with medium and high innate ability to compete for government positions. Both figures demonstrate that corruption monitoring fails to attract capable young elites to work in government. Instead, it pushes them away from seeking government positions.

Corruption monitoring is not exogenous. Observed and unobserved confounders may shape corruption monitoring and government career preference at the same time. For instance, market activities such as the mining of coal and minerals, a real estate boom, or

road construction can shape official corruption in China (Feng, Gao and Zhang 2018). These factors could also affect an individual's career opportunities and choices (Hong and Yang 2020). To mitigate the concern, main results are replicated by controlling more macro covariants. Table C4 demonstrates the new results after adding covariants including oil, coal, minerals, road construction, real estate added value, and the proportion of private employment. The analysis confirms that corruption monitoring evidently reduces the chances that capable young elites pursue a political career. The development of private economies and the real estate boom weaken young people's willingness and attempts to work in government, yet rich coal reserves significantly motivate young people to prefer government jobs and take civil service exams.

In addition, the instrumental variable method is adopted to address the endogeneity concern. I constructed an instrument variable using British leased territory in late imperial China. The section B.4 in the Appendix discusses reasons for using the instrument variable. Table C5 presents the estimation results. Panel B shows the first stage results: British leased territory is positively and significantly related to investigated officials per capita at 1% level. Panel A demonstrates the second stage estimation results. Column (1) implies that corruption monitoring has no direct effect on government career preference. Similarly, column (3) shows that corruption monitoring significantly reduces the likelihood of individuals taking the civil service exam. Both columns (1) and (3) show that the enforcement of corruption monitoring fails to increase the supply of government employees. Columns (2) and (4) in Table C5 examine the conditional effect of corruption monitoring on the supply of potential politicians. The estimated results in columns (2) and (4) confirm that corruption monitoring tends to reduce capable young elites' willingness and efforts to enter government. The main results are robust and consistent using the instrumental variable method.

Finally, as a robustness check, standard errors are clustered at the provincial level. In the main analysis, I cluster standard errors at the college level to deal with potential heteroskedasticity and serial autocorrelation for students in the same college. However, I cannot rule out serial autocorrelation within home province clusters. To allay this concern, I replicate the main results by clustering standard errors at provincial level in Table C6-C9. In general, the results are consistent with those in Table 4.1-4.4. The Appendix discusses the estimated results in detail (See section B.5). Figure C5 shows the marginal effect plots for results clustering at provincial level, which are consistent with those in Figure 4.2 and Figure C4.

## **MECHANISM**

In this section, I test two mechanisms discussed in the theoretical section: economic returns and career prospects.

### **Economic Returns**

First, I examine whether economic return explains why corruption monitoring can reduce the supply of capable young elites for the government. The economic return mechanism assumes that capable young elites have higher expected incomes and opportunity costs. In the survey questionnaire, there is a question that asks respondents for their ideal monthly salary. I use the logarithmic ideal salary to capture the expected income. In Table 4.3, column (1) presents the baseline result and estimates whether capable young elites have higher expected salaries. It shows that the coefficient of ability is positive and significant at 5% level. After adding demographic and provincial controls in column (2), the results remain significant. College grade rank is positively linked to the predicted

salaries. It confirms that students with better academic performance and ability tend to demand higher salaries.

Table 4.3: Mechanism I: Economic Returns

	(1)	(2)	(3)	(4)	(5)	(6)
	DV: Ideal Salary		DV: Civil service exam			
			Full sample		Prefer government career	
Ideal salary (logged)			-0.181** (0.079)	-0.274*** (0.089)	-0.408*** (0.133)	-0.717*** (0.214)
Ability	0.051** (0.024)	0.051* (0.028)		0.061 (0.090)		0.170 (0.114)
Age		-0.013 (0.013)		0.089* (0.047)		0.150 (0.103)
Male		0.340*** (0.044)		0.273 (0.215)		0.742** (0.313)
Party member		0.019 (0.030)		0.591*** (0.145)		0.641*** (0.230)
Rural Hukou		-0.011 (0.033)		-0.171* (0.093)		-0.737*** (0.279)
Elite college		0.108** (0.050)		-0.144 (0.454)		-0.333 (0.556)
College grade rank		0.046*** (0.015)		-0.117** (0.051)		-0.187*** (0.069)
Social science major		0.024 (0.037)		1.012*** (0.248)		1.068*** (0.230)
Parent education		0.011 (0.062)		0.125 (0.132)		0.300 (0.459)
Parent party member		0.058** (0.024)		0.721*** (0.150)		0.822*** (0.312)
Parent income (logged)		0.012 (0.008)		0.012 (0.021)		0.023 (0.060)
Political connection		-0.014 (0.058)		0.254 (0.208)		0.301 (0.413)
GDP per capita (logged) (t-1)		-0.567 (0.348)		1.184 (1.494)		0.826 (2.946)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
N	9272	5891	8886	5010	1415	821
R <sup>2</sup>	0.078	0.120				
Pseudo R <sup>2</sup>			0.096	0.175	0.207	0.293

Notes: Robust standard errors clustered at college level are in parentheses. Estimates of constant are not reported. All regressions are weighted to represent the population.\*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

I then investigate whether high salary expectations motivate individuals to serve in the government. In columns (3) and (4) of Table 4.3, the full sample analysis shows that ideal salary significantly reduces students' likelihood of taking civil service exam. It implies that when individuals have high salary expectations, they seek positions in the market sector rather than in public sector.

Due to data limitations, the data for respondents' expected salary in the government is unavailable. Yet those preferring a political career are more likely to link their expected salaries to earnings in the government. In columns (5) and (6) of Table 4.3, I conduct a subgroup analysis by only including individuals preferring government jobs. Column (5) presents baseline results and shows that ideal salary evidently reduces their chance of taking the civil service exam. After adding more controls in column (6), the results remain robust and consistent. The magnitude of the coefficient for ideal salary in column (5) is two times larger than that in column (3). Similarly, the magnitude of the coefficient for ideal salary in column (6) is two times larger than that in column (4). The results reveal that ideal salary is more likely to reduce the chance of taking the civil service exam among those preferring a political career. They are more sensitive to the change of salary in government. This evidence provides support for the economic return mechanism.

Individuals make career choices between market and public sectors. The wage differences between the two sectors may shape their career choices. In Figure C6, I plot the comparison of wages in public sectors and average wage in all sectors in China. Before 2012, the wage in public sectors was larger than the average national wage. Yet the gap sharply diminished. Civil servants earned less than the national average between 2012 and 2014, when a sweeping anti-corruption campaign took effect.

Furthermore, I collected wage information in each province and divided the sample into two subgroups: low government wages and high government wages. In China, regions



have great disparities, so wages may not be comparable across provinces. Thus, a low government wage group refers to areas where government wage is equal or below the local average wage (wage ratio  $\leq 1$ ). It implies that government jobs are less attractive in terms of wage. In contrast, a high wage group refers to provinces where government wages are above the local average wage (wage ratio  $> 1$ ).

In Table C10, I replicate the main results in Table 4.2 in the two groups. Columns (1) and (4) reveal the full sample results. Column (2) demonstrates that corruption monitoring evidently reduces capable young elites' likelihood to prefer a political career in low government wage provinces. Yet the effect is not salient in the high government wage group as shown in column (3). Similarly, column (5) demonstrates that monitoring corruption significantly reduces the number of capable young elites competing for government positions in low government wage areas. Yet the reduction effect disappears in areas with high government wages. To facilitate interpretation, Figure C7 plots the coefficients of interaction terms among different groups. Under the enforcement of corruption monitoring, capable young elites may turn to seek more lucrative positions in market sectors when the local government wage is below the average. These results provide strong evidence that economic returns could explain why corruption monitoring pushes capable young elites away from seeking government positions.

### **Career Prospects**

The career prospect mechanism implies that political power and the prestige of public office induce young people to pursue positions in government. However, nondemocracies have a comparatively weak rule of law and opaque judicial procedures. Corruption investigations may involve power struggles and political purges. Investigations of officials, especially senior officials, may signal the serious uncertainties and risks of a

political career, which can then undermine the supply of capable young elites for the government.

To test the mechanism, I use the Anti-Corruption Campaign launched in 2013 as a policy shock. China initiates periodic anti-corruption campaigns, but the anti-corruption campaigns of the 1980s and 1990s failed to curb widespread corruption (Manion 2004). However, Manion (2016) shows that the Anti-Corruption Campaign launched in 2013 differs notably from previous efforts. It significantly decreased bureaucrats' corruption opportunities and reduced obstacles to anti-corruption enforcement. It is a sincere effort to cut down on pervasive corruption (Lorentzen and Lu 2018). The Anti-Corruption Campaign launched in 2013 thus constitutes a salient shock for corruption investigations.

If the career prospect mechanism holds true, we may predict that the investigations of senior officials have a more evident effect on the supply of capable political candidates. The majority of investigated officials are grass-root bureaucrats. Instead of using investigated officials per capita, I use the number of investigated leaders at vice county-division rank (*xianchuji*) and above to proxy the strength of corruption monitoring. During the three waves of the survey, the maximum number of investigated leaders among provinces was 297, while the minimum number was 6. On average, provinces investigated more government leaders after the Anti-Corruption Campaign launched in 2013.

Table 4.4: Mechanism II: Career Prospects

	(1)	(2)	(3)	(4)	(5)	(6)
DV: Participate civil service exam		Elite College			Non-elite college	
Investigated leaders (t-1) $\times$ Post	-0.004** (0.002)	-0.007*** (0.002)	-0.005** (0.002)	-0.003 (0.003)	-0.005 (0.003)	-0.005 (0.003)
Investigated leaders (t-1)	-0.001 (0.002)	0.001 (0.002)	0.002 (0.002)	-0.000 (0.002)	0.000 (0.002)	0.000 (0.002)
Post	0.417 (0.439)	0.875** (0.418)	-0.929 (0.913)	0.704 (0.814)	0.721 (0.832)	0.899 (1.394)
Age		0.162*** (0.053)	0.158*** (0.052)		0.100*** (0.035)	0.099*** (0.035)
Male		-0.558*** (0.108)	-0.551*** (0.110)		-0.034 (0.192)	-0.035 (0.189)
Party member		0.613*** (0.172)	0.607*** (0.172)		0.591*** (0.143)	0.590*** (0.141)
Rural Hukou		-0.355*** (0.110)	-0.353*** (0.109)		-0.227*** (0.073)	-0.228*** (0.075)
College grade rank		-0.102** (0.042)	-0.099** (0.042)		-0.087* (0.052)	-0.087* (0.052)
Social science major		0.867*** (0.117)	0.877*** (0.115)		0.853*** (0.194)	0.854*** (0.194)
Parent education		-0.091 (0.213)	-0.082 (0.215)		0.147 (0.124)	0.145 (0.120)
Parent party member		0.241* (0.134)	0.244* (0.132)		0.547*** (0.143)	0.547*** (0.144)
Parent income (logged)		-0.012 (0.026)	-0.012 (0.026)		0.022 (0.021)	0.022 (0.021)
Political connection		0.260 (0.254)	0.254 (0.255)		0.229 (0.165)	0.230 (0.167)
GDP per capita (logged) (t-1)			2.318** (1.129)			-0.252 (1.593)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
N	3711	2285	2285	6800	3888	3888
Pseudo R <sup>2</sup>	0.087	0.146	0.148	0.059	0.120	0.120

Notes: Robust standard errors clustered at college level are in parentheses. Estimates of constant are not reported. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

The survey data covers three periods (2010, 2013, and 2015), which allows me to employ the difference-in-difference (DID) method to estimate whether the investigated leaders shape individual career choices. I divide respondents into two subgroups: elite college students and non-elite college students. As the College Entrance Exam (CEE) grade is nearly the only determinant for most of the students who enter elite colleges, elite college

enrollment can be another proxy of ability. Table 4.4 presents the subgroup analysis using the DID method. Columns (1) to (3) estimate whether investigations of government leaders change elite college students' likelihood of taking the civil service exam. Column (1) is the baseline result, showing that the coefficient of interaction term is negative and significant at 5% level. After controlling for demographic covariants in column (2) and adding full controls in column (3), the results are similar and consistent. After the Anti-Corruption Campaign, the investigation of government leaders significantly reduces the probability of elite college students taking the civil service exam.

Moreover, columns (4) to (6) in Table 4.4 examine whether the investigation of government leaders shifts the behavior of non-elite college students. Column (4) reveals that corruption investigation has no significant consequence on the probability of non-elite college students taking the civil service exam. The coefficient of interaction term remains insignificant after adding demographic and full controls in columns (5) and (6). The results suggest that the investigation of government leaders fails to change non-elite college students' likelihood of seeking government positions.

Furthermore, I use similar specifications to examine the effect of investigations of government officials in Table C11. Column (1) reveals that investigations of government bureaucrats reduces elite college students' chances of taking civil service exam. Yet the reduction effect is not significant after adding more controls in columns (2) and (3). The results reveal that the investigation of government leaders rather than bureaucrats reduces the likelihood of capable young elites to compete for government positions. The downfall of government leaders is more likely to signal the great uncertainties and risks of a political career, which could shift capable young elites' expectation about political career prospects. In contrast, as shown in columns (4) to (6), investigations of government officials actually promotes non-elite college students' chances of taking the civil service exam. The downfall

of grassroots bureaucrats may imply more vacant government positions and employment opportunities, which may attract non-elite college students.

Finally, Table C4 shows that the proportion of private employment reduces individuals' likelihood of selecting a political career. The development of private economies may provide more career opportunities and platforms. To further test the career prospect mechanism, I divide the sample into two groups: low level and high level of private economy. Low level of private economy refers to areas where the proportion of private employment is below the national median value (0.62). High level of private economy refers to provinces where the proportion of private employment is above the national median value. The subgroup analysis in columns (3) and (4) of Table C12 shows that corruption monitoring has a greater reduction effect for capable young elites competing for government jobs in areas with high development level of private economy. The prosperity of market sectors provides more alternative career opportunities. Corruption monitoring is more likely to push young elites in those areas to select a career in the market sector.

In sum, the analysis shows that investigations of government leaders and bureaucrats have heterogeneous effects among elite and non-elite college students. The downfall of government leaders rather than bureaucrats reduces the number of elite college students competing for government jobs. This effect is more evident in areas with a prosperous market economy. The results provide evidence that career prospects can be an important mechanism shaping young elites' career choices.

## **CONCLUSION**

The article examines the impacts of corruption monitoring on the supply of potential politicians in China. Corruption monitoring is an efficient tool for improving

government efficiency and performance, yet I demonstrate that monitoring corruption may reduce the quality of the political candidate pool. The enforcement of monitoring corruption may reduce capable young elites' willingness and efforts to select a political career.

In authoritarian regimes, the enforcement of monitoring corruption may have a trade-off: the anti-corruption effort may constrain the behaviors of government officials, while at the same time it may reduce the supply of capable elites at the entry level. It is these entry level government employees who become the politicians of the future. It is possible that nondemocracies will need a period to establish strong monitoring institutions and to shape stable and proper expectations of potential political candidates for government positions. Moreover, loyalty and competence are two key criteria for those government employees who do become politicians. Due to data limitations, I only investigated the competence dimension in the supply of candidates for government positions. It is possible that the enforcement of monitoring institutions can attract young elites with high public service motivation. I leave this question to be explored in future research.

The study contributes to the political selection literature in China. Recent studies have focused mostly on political selection among government officials and examined the demand side of political selection. Scholars have also investigated the role of performance and political connection in government officials' career advancement (e.g., Li and Zhou 2005; Landry, Lü and Duan 2018; Shih, Adolph and Liu 2012). However, politicians are mainly selected from a limited pool of public employees in China. Serving in government is self-selected. The pool of public employees matters for the competence of future politicians. Few studies investigate the supply of potential politicians at the entry level. College students constitute the main source of new government employees. I show that monitoring institutions may shape the supply of capable politicians in the future.

Furthermore, this article examines the links between corruption monitoring and the supply of potential politicians. Entering government is not equal to becoming a politician. Only a very small proportion of civil servants become leaders in the political system. Yet capable young civil servants are critical candidates for future politicians. To become a national leader, a prospective elite needs to be well-educated and start a political career path at a young age.

For instance, the political bureaus of the 19th CPC Central Committee are a group of 25 politicians who rule China. On average, they entered government at the age of 23.2. 64% of them hold degrees from elite colleges, and 32% of them obtained their undergraduate degrees from elite colleges. They have worked in government for more than 30 years. This shows that China has historically relied upon the young elite to climb the ladder and become the politicians of their day. This model confronts great challenges as the market economy expands and it may impact the quality of China's future politicians.

Thus, the article provides evidence for the potential risks of the political candidate pool in China's political system. However, the competition for government positions is still fierce in China. The recruitment rate of China's civil service exam is lower than any Ivy League university and Chinese bureaucrats even report greater meritocracy than U.S. federal employees (Boittin, Distelhorst and Fukuyama 2017). Though the investigation of corruption may push capable young elites away from seeking government positions, governments still have a large candidate pool from which they can select bureaucrats. Future research may examine whether anti-corruption efforts lower the quality of politicians in the long run.

## Appendix

### APPENDIX A: SUPPLEMENTAL INFORMATION FOR CHAPTER 2

钟雷兴(1945 · 2— )畲族,出生于宁德八都镇。1961年6月参加工作,1964年2月参加中国人民解放军。同年7月加入中国共产党。1968年8月复员在泉州市革委会保卫组、办公室工作。1972年调到宁德县革委会保卫组工作。1974年4月后历任宁德县飞鸾公社副书记、蕉城公社副书记、金涵公社书记。1975年9月进中央民族学院学习。1980年9月后历任宁德县革委会副主任、副县长、县委副书记、县长、县政府党组书记。1985年5月任宁德地委副书记兼地区政法委书记,1988年5月任宁德地委委员、地区纪检委书记、政法委书记、综合治理委员会主任。1989年12月任宁德地委副书记、政法委书记、综合治理委员会主任。1994年3月兼任省人大常委会宁德地区工作委员会主任。其间,于1995年5月在国家外经贸部挂职,任司长助理。2000年11月任宁德市人大常委会主任、党组书记。是省政协第六届委员,省第八届、九届、十届人大代表,省第十届人大常委会委员。

#### Individual-level control variables:

Birth Year: 1945

Ethnic group: Non-han

Home city: Ningde

Education: College

#### Career Variable:

Last position: Vice party secretary

Dual appointment: No

Time of Chairman: November 2000

Figure A1: The Data on Chairmen of MPC

Notes: The figure shows an example of identifying individual characteristics of chairman at one prefecture (*Ningde* in Fujian Province). The biographic information was recorded in *Historical Communist Party Personages in Fujian Province*.



【宝鸡市第十三届人民代表大会第五次会议】 宝鸡市第十三届人民代表大会第五次会议于 2011 年 2 月 12 日至 15 日在宝鸡市举行。会议应出席代表 379 人，实际到会 375 人。按



Number of legislators attending annual conference: 375

【宝鸡市第十三届人大常委会会议】

2011 年，宝鸡市第十三届人大常委会共召开了 8 次会议（市十三届人大常委会第 22 ~29 次会议），依法作出决议、决定 13 项，任免地方国家机关工作人员 52 人（次）。其中，任命 36 人，免职 10 人，接受辞职 6 人。常委会通过召开会议，认真履行宪法和法律赋予的各项职责，较好地发挥了地方国家权力机关在保障改革发展稳定、构建和谐奋进新宝鸡中的重要作用。



Number of personnel appointment and removal: 52

【建议、意见办理】 宝鸡市第十三届人民代表大会第五次会议以来，共收到市人大代表书面提出的建议、批评和意见 172 件（含作为建议处理的议案 16 件），其中：会议期间 171 件，闭会期间 1 件，议案 1 件。农业方面 20 件，占 11.6%；基础设施建设方面 84 件，占 48.8%；经济方面 23 件，占 13.4%；社会保障方面 8 件，占 4.7%，教育、科学、文化、卫生、旅游方面 27 件，占 15.7%；其他方面 10 件，占 5.8%。按照



Number of policy proposals: 172

Figure A2: The Data on Legislative Activities

Notes: The figure gives an example of identifying legislative activities at one prefecture (Baoji in Shaanxi province) in 2011. It shows that the number of legislators attending the annual conference of people's congress was 375, the total number of personnel appointment and removal was 52, and the number of policy proposals, suggestions, and critics were 172. The data comes from the section of people's congress in the *Yearbook of Baoji 2012*.

## APPENDIX B: SUPPLEMENTAL INFORMATION FOR CHAPTER 3

Table B1: Robustness Check: Power concentration and legislators' policy proposal

	(1)	(2)	(3)	(4)	(5)	(6)
		Proposal			Proposal per capita	
Power concentration	-9.461* (5.389)	-22.991*** (6.547)	-22.709*** (6.462)	-0.028* (0.015)	-0.063*** (0.017)	-0.062*** (0.017)
Age		0.043 (0.837)	-0.067 (0.832)		-0.001 (0.002)	-0.001 (0.002)
Tenure		-3.468** (1.388)	-3.374** (1.372)		-0.007** (0.004)	-0.007** (0.004)
Male		-1.245 (13.896)	-1.741 (13.718)		-0.003 (0.041)	-0.005 (0.041)
Ethnic		25.893 (22.661)	25.651 (22.378)		0.056 (0.047)	0.056 (0.047)
Education		11.757 (7.737)	10.878 (7.542)		0.025 (0.017)	0.022 (0.016)
Home city		-9.512 (9.065)	-9.316 (9.043)		-0.021 (0.026)	-0.021 (0.026)
Population (log)			37.177 (46.031)			0.111 (0.139)
Fiscal revenue (log)			-0.900 (10.522)			0.002 (0.029)
GDP per capita (log)			-19.359 (12.187)			-0.042 (0.034)
Political cycle			-47.505* (24.278)			-0.092 (0.060)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
<i>N</i>	2438	2287	2286	2230	2093	2092
<i>R</i> <sup>2</sup>	0.032	0.058	0.062	0.024	0.046	0.049

Notes: Robust standard errors are clustered at prefecture level. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Table B2: Robustness Check: Power concentration and legislators' policy proposal, lagged one year period

	(1)	(2)	(3)	(4)	(5)	(6)
		Proposal (log)		Proposal per capita (log)		
Power concentration ( $t - 1$ )	-0.093*** (0.026)	-0.105*** (0.028)	-0.105*** (0.028)	-0.080*** (0.027)	-0.090*** (0.029)	-0.090*** (0.029)
Age		0.003 (0.004)	0.002 (0.004)		0.003 (0.004)	0.002 (0.005)
Tenure		-0.020*** (0.007)	-0.020*** (0.007)		-0.020*** (0.007)	-0.020*** (0.007)
Male		-0.044 (0.066)	-0.044 (0.068)		-0.069 (0.077)	-0.069 (0.078)
Ethnic		0.006 (0.076)	0.006 (0.075)		0.003 (0.082)	0.004 (0.081)
Graduate education		0.030 (0.030)	0.027 (0.030)		0.030 (0.031)	0.028 (0.031)
Home city		-0.008 (0.043)	-0.007 (0.043)		-0.004 (0.045)	-0.004 (0.045)
Population (log)			-0.010 (0.211)			0.034 (0.218)
Fiscal revenue (log)			0.047 (0.064)			0.054 (0.068)
GDP per capita (log)			-0.071 (0.086)			-0.054 (0.090)
Political cycle			0.154 (0.142)			0.082 (0.147)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
$N$	2243	2111	2110	2051	1932	1931
$R^2$	0.023	0.037	0.038	0.018	0.034	0.035

Notes: Robust standard errors are clustered at prefecture level. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Table B3: Robustness Check: Exclude Ethnic Regions

	(1)	(2)	(3)	(4)	(5)	(6)
	Proposal (log)			Proposal per capita (log)		
Power concentration	-0.082*** (0.028)	-0.121*** (0.034)	-0.119*** (0.034)	-0.074** (0.030)	-0.107*** (0.037)	-0.105*** (0.037)
Age		-0.001 (0.004)	-0.002 (0.004)		-0.001 (0.005)	-0.001 (0.005)
Tenure		-0.011* (0.006)	-0.010 (0.006)		-0.011 (0.007)	-0.010 (0.007)
Male		-0.071 (0.063)	-0.074 (0.064)		-0.095 (0.073)	-0.098 (0.074)
Ethnic		0.015 (0.066)	0.017 (0.065)		0.032 (0.072)	0.035 (0.072)
Graduate education		0.037 (0.028)	0.033 (0.028)		0.034 (0.029)	0.030 (0.029)
Home city		-0.016 (0.041)	-0.016 (0.041)		-0.009 (0.044)	-0.009 (0.044)
Population (log)			0.213 (0.232)			0.181 (0.249)
Fiscal revenue (log)			0.055 (0.057)			0.054 (0.062)
GDP per capita (log)			-0.093 (0.078)			-0.065 (0.082)
Political cycle			-0.151 (0.122)			-0.109 (0.132)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
<i>N</i>	2271	2133	2132	2065	1939	1938
<i>R</i> <sup>2</sup>	0.036	0.046	0.049	0.033	0.043	0.045

Notes: Robust standard errors are clustered at prefecture level. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Table B4: Robustness Check: Exclude Vice Provincial Cities

	(1)	(2)	(3)	(4)	(5)	(6)
	Proposal (log)			Proposal per capita (log)		
Power concentration	-0.079*** (0.029)	-0.127*** (0.036)	-0.126*** (0.036)	-0.072** (0.031)	-0.117*** (0.039)	-0.116*** (0.039)
Age		-0.003 (0.004)	-0.003 (0.004)		-0.003 (0.005)	-0.003 (0.005)
Tenure		-0.013* (0.007)	-0.013* (0.007)		-0.013* (0.007)	-0.013* (0.007)
Male		-0.088 (0.067)	-0.087 (0.068)		-0.110 (0.079)	-0.110 (0.080)
Ethnic		-0.046 (0.063)	-0.045 (0.063)		-0.038 (0.068)	-0.036 (0.068)
Graduate education		0.037 (0.029)	0.035 (0.029)		0.036 (0.030)	0.033 (0.030)
Home city		0.002 (0.043)	0.002 (0.042)		0.010 (0.046)	0.010 (0.045)
Population (log)			0.138 (0.240)			0.097 (0.254)
Fiscal revenue (log)			0.050 (0.060)			0.051 (0.066)
GDP per capita (log)			-0.075 (0.082)			-0.056 (0.086)
Political cycle			-0.124 (0.128)			-0.091 (0.139)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
<i>N</i>	2308	2157	2156	2100	1963	1962
<i>R</i> <sup>2</sup>	0.027	0.041	0.043	0.023	0.038	0.039

Notes: Robust standard errors are clustered at prefecture level. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Table B5: Robustness Check: Power concentration and suspicious expenditures (2006-2012)

	(1)	(2)	(3)	(4)	(5)	(6)
	Suspicious expenditure (log)			Suspicious expenditure per capita (log)		
Power concentration	-0.123*	-0.163**	-0.147*	-0.119*	-0.158*	-0.147*
	(0.072)	(0.083)	(0.082)	(0.071)	(0.082)	(0.082)
Age		-0.009	-0.008		-0.009	-0.008
		(0.010)	(0.010)		(0.010)	(0.010)
Tenure		-0.015	-0.015		-0.015	-0.015
		(0.015)	(0.015)		(0.015)	(0.015)
Male		0.075	0.067		0.070	0.067
		(0.113)	(0.110)		(0.113)	(0.110)
Ethnic		0.033	0.044		0.034	0.044
		(0.138)	(0.135)		(0.138)	(0.135)
Graduate education		-0.026	-0.019		-0.029	-0.019
		(0.081)	(0.081)		(0.082)	(0.081)
Home city		0.039	0.027		0.045	0.027
		(0.081)	(0.080)		(0.081)	(0.080)
Population (log)			-0.697			-1.697*
			(1.029)			(1.029)
Fiscal revenue (log)			0.008			0.008
			(0.203)			(0.203)
GDP per capita (log)			0.767***			0.767***
			(0.289)			(0.289)
Political cycle			-0.353			-0.353
			(0.305)			(0.305)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
<i>N</i>	2278	2146	2145	2277	2145	2145
<i>R</i> <sup>2</sup>	0.039	0.038	0.047	0.031	0.031	0.046

Notes: Robust standard errors are clustered at prefecture level. The analysis includes data between 2006 and 2012. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Table B6: Robustness Check: Exclusive Restriction Test

	(1)	(2)	(3)	(4)	(5)	(6)
	Power concentration	Social unrest	Political competition	Population	Fiscal revenue	GDP per capita
Panel A						
Neighboring concentration dummy ( $t - 1$ )	0.125*** (0.036)	0.386 (0.254)	0.012 (0.008)	-0.005 (0.005)	-0.014 (0.023)	0.001 (0.017)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
$N$	3257	3328	3327	3327	3327	3327
$R^2$	0.027	0.079	0.003	0.275	0.936	0.940
Panel B						
Neighboring concentration proportion ( $t - 1$ )	0.216*** (0.052)	0.022 (0.262)	0.008 (0.013)	-0.012* (0.006)	-0.017 (0.028)	0.028 (0.023)
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
$N$	3257	3258	3257	3257	3257	3257
$R^2$	0.037	0.075	0.002	0.306	0.937	0.941

Notes: Robust standard errors are clustered at prefecture level. Population, GDP per capita, fiscal revenue are in logarithmic values. Political competition refers to the number of counties within a prefecture. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Table B7: Instrument Variable I: Power concentration and suspicious expenditure (2006-2012)

	(1)	(2)	(3)	(4)	(5)	(6)
	Suspicious expenditure (log)			Suspicious expenditure per capita(log)		
Panel A: Second Stage						
Power concentration	-0.792 (1.793)	-0.549 (1.374)	-0.620 (1.358)	-0.669 (1.788)	-0.479 (1.369)	-0.620 (1.358)
Wald F statistic	54.090	827.218	857.353	43.740	218.833	246.611
$N$	2278	2146	2145	2277	2145	2145
$R^2$	0.017	0.009	0.050	0.025	0.019	0.034
Panel B: First Stage						
Neighboring concentration dummy ( $t - 1$ )	0.070* (0.037)	0.098*** (0.033)	0.099*** (0.032)	0.070* (0.037)	0.098*** (0.033)	0.099*** (0.032)
Individual controls		Y	Y		Y	Y
City controls			Y			Y
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y

Notes: The analysis uses instrumental variables and two-stage least squares for panel-data models. Robust standard errors are clustered at prefecture level. Individual controls include age, gender, ethnic, education, and home city. City controls include population (logged), fiscal revenue(logged), GDP per capita (logged), and political cycle. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .



Table B8: Instrument Variable II: Power concentration and suspicious expenditure (2006-2012)

	(1)	(2)	(3)	(4)	(5)	(6)
	Suspicious expenditure (log)			Suspicious expenditure (log)		
	Panel A: Second Stage					
Power concentration	-0.524	-0.570	-0.788	-0.436	-0.429	-0.788
	(0.690)	(1.097)	(1.102)	(0.689)	(1.096)	(1.102)
Wald F statistic	55.561	824.480	821.811	44.434	220.398	237.804
$N$	2278.000	2146.000	2145.000	2277.000	2145.000	2145.000
$R^2$	0.019	0.009	0.051	0.027	0.019	0.034
	Panel B: First Stage					
Neighboring concentration proportion ( $t - 1$ )	0.196***	0.129**	0.129**	0.196***	0.128**	0.129**
	(0.064)	(0.051)	(0.052)	(0.064)	(0.051)	(0.052)
Individual controls		Y	Y		Y	Y
City controls			Y			Y
City FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y

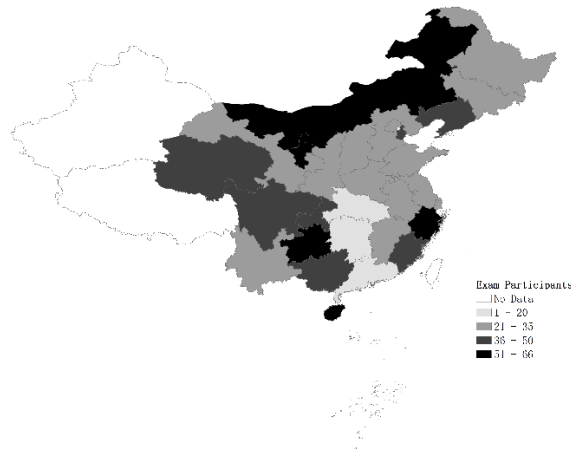
Notes: The analysis uses instrumental variables and two-stage least squares for panel-data models. Robust standard errors are clustered at prefecture level. Individual controls include age, gender, ethnic, education, and home city. City controls include population (logged), fiscal revenue(logged), GDP per capita (logged), and political cycle. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

## APPENDIX C: SUPPLEMENTAL INFORMATION FOR CHAPTER 4

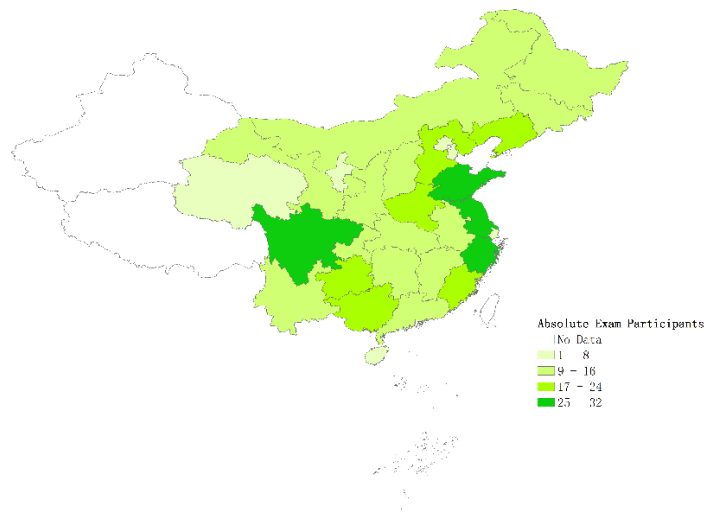
### A Data Description

Table C1: Summary statistics

Variable	Mean	Std. Dev.	Min.	Max.	Obs.
Investigated officials per capita (per 10,000)	31.393	9.283	3.922	68.381	10537
Ability	-0.047	0.933	-7.474	5.208	9432
Age	22.958	1.132	11	42	10444
Gender (male=1)	0.564	0.496	0	1	10516
Party member	0.287	0.464	0	1	10492
Rural Hukou	0.566	0.496	0	1	10061
College grade rank	3.236	1.066	1	5	10267
Social science major	0.288	0.453	0	1	10502
Parent college education	0.107	0.309	0	1	9994
Parent party member	0.266	0.442	0	1	9999
Family income (log)	10.026	2.199	-2.303	21.416	8315
Political connection	0.06	0.237	0	1	8705
GDP per capita(log)	10.559	0.477	9.241	11.564	10537



(a) Average Number of Civil Servant Exam Participants Divided by Population



(b) Average Number of Civil Servant Exam Participants (10,000)

Figure C1: Distribution of Civil Service Exam Participants (2011-2015)

Notes: The number of civil servant exam participants in each province was collected from [www.chinagwy.org/html/xwsz/\\_zyxw/201601/21\\_136979.html](http://www.chinagwy.org/html/xwsz/_zyxw/201601/21_136979.html) (accessed 20 July 2019) and [gongwuyuan.eol.cn/guojia/gkzx/201710/t20171026\\_1562092.shtml34](http://gongwuyuan.eol.cn/guojia/gkzx/201710/t20171026_1562092.shtml34) (accessed 20 July 2019). Figure A1 (a) plots the number of civil service exam participants divided by population, Figure A1 (b) shows the number of civil service exam participants.

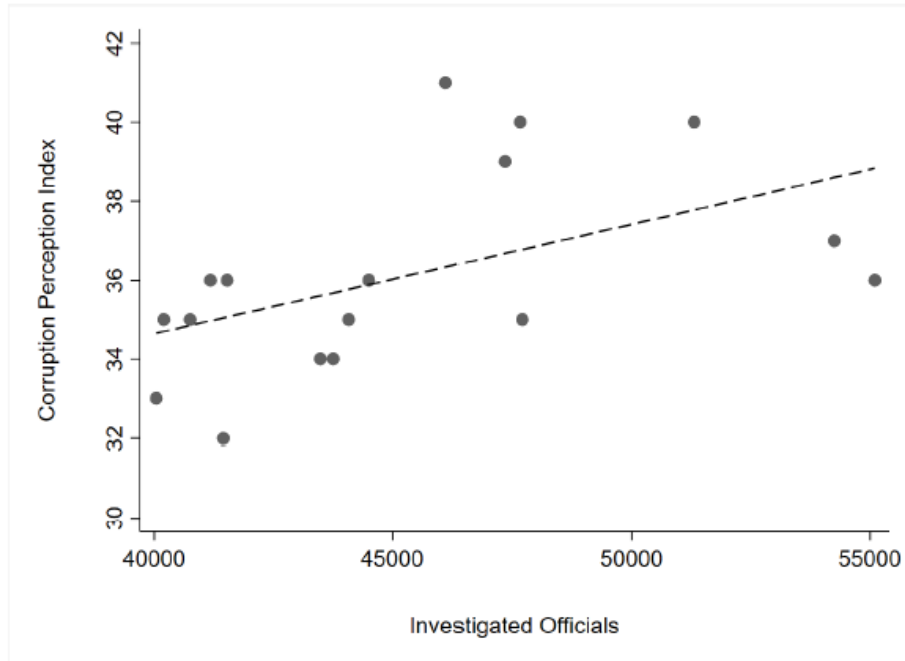


Figure C2: Investigated Officials and Corruption Perception Index (2001-2017)

Notes: The figure depicts the trend of national investigated officials and the Corruption Perception Index (CPI) in China. CPI is surveyed by Transparency International. It measures the perception of corrupt public sectors. A high CPI score reflects a lower perception of corruption. The figure shows that the number of investigated officials is positively linked with CPI in China. It implies the investigation of corrupted officials tends to reduce perceived corruption and improve CPI performance. Investigated officials per capita captures the inherent meaning of corruption monitoring.

## B Additional Robustness Check

### B1 Robustness Check: Use Linear Probability Model

Table C2: Robustness Check: Replicate Main Results Using Linear Probability Model

	(1)	(2)	(3)	(4)	(5)	(6)
	Government career preference			Civil service exam		
Investigated officials per capita (t-1) × Ability	-0.002*	-0.003**	-0.003**	-0.003***	-0.004***	-0.004***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Investigated officials per capita (t-1)	0.003	0.003	0.002	-0.002	-0.004*	-0.004*
	(0.003)	(0.003)	(0.002)	(0.003)	(0.002)	(0.002)
Ability	0.057**	0.080**	0.080**	0.107***	0.120***	0.120***
	(0.028)	(0.033)	(0.033)	(0.033)	(0.041)	(0.041)
Age		0.005	0.005		0.018***	0.018***
		(0.007)	(0.007)		(0.006)	(0.006)
Male		0.090***	0.089***		0.010	0.011
		(0.030)	(0.029)		(0.036)	(0.036)
Party member		0.066***	0.066***		0.080**	0.080**
		(0.020)	(0.020)		(0.032)	(0.032)
Rural Hukou		-0.009	-0.009		-0.028*	-0.028*
		(0.017)	(0.017)		(0.015)	(0.015)
Elite college		-0.124	-0.125		-0.028	-0.028
		(0.077)	(0.078)		(0.066)	(0.066)
College grade rank		0.001	0.001		-0.015*	-0.015*
		(0.008)	(0.008)		(0.009)	(0.009)
Social science major		0.111***	0.111***		0.155***	0.154***
		(0.039)	(0.038)		(0.047)	(0.047)
Parent education		0.018	0.017		0.048*	0.049*
		(0.030)	(0.029)		(0.026)	(0.025)
Parent party member		0.070***	0.070***		0.109***	0.109***
		(0.022)	(0.022)		(0.028)	(0.028)
Parent income (logged)		-0.001	-0.001		0.004	0.004
		(0.003)	(0.003)		(0.003)	(0.003)
Political connection		0.083*	0.083*		0.048	0.049
		(0.045)	(0.045)		(0.039)	(0.039)
GDP per capita (logged) (t-1)			-0.146			0.091
			(0.135)			(0.248)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
N	9432	6078	6078	9456	5813	5813
R <sup>2</sup>	0.115	0.193	0.193	0.094	0.164	0.164

Notes: Robust standard errors clustered at college level are in parentheses. Estimates of constant are not reported. All regressions are weighted to represent the population. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

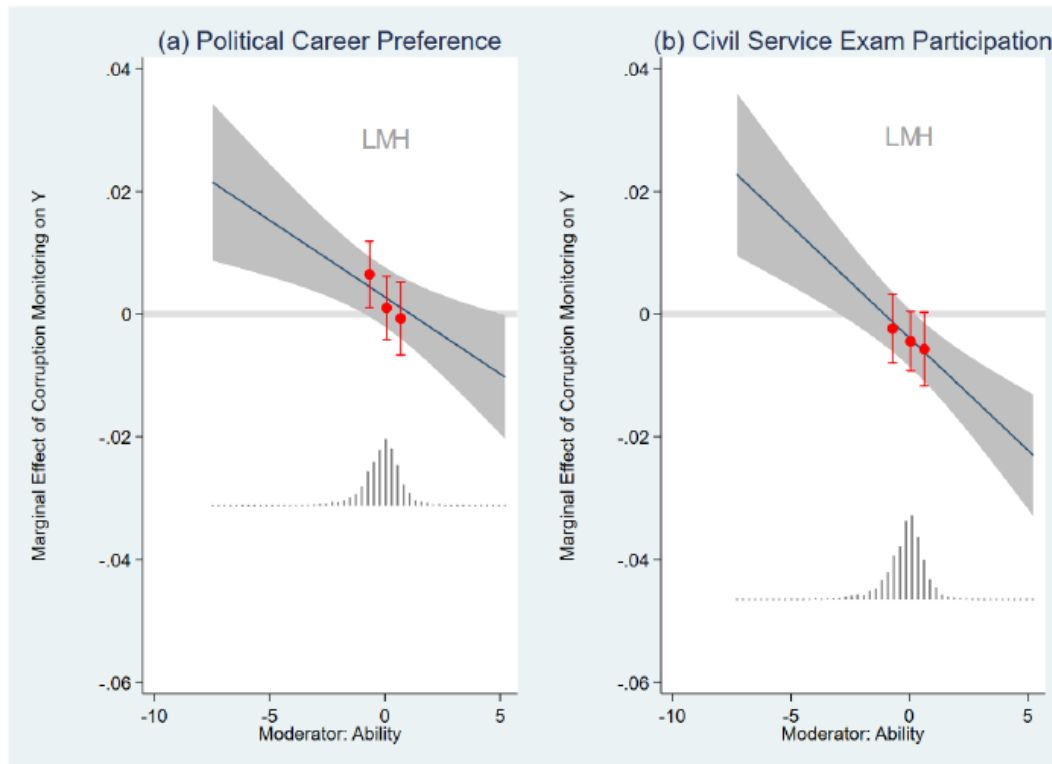


Figure C3: Marginal Effect Using Linear Probability Model

Notes: The left figure (a) uses the estimated results in column (3) in Table C2. The right figure (b) adopts the estimated results in column (6) in Table A2. The two figures plot the marginal effect of corruption monitoring across various level of ability. L, M, and H indicate the 95% confidence intervals of the marginal effects at the low, medium, and high level of ability.

## B2 Robustness Check: With Smaller Ability Range

Table C3: Robustness Check: Replicate Main Results Using Smaller Ability Range [-3,3]

	(1)	(2)	(3)	(4)	(5)	(6)
	Government career preference			Civil service exam		
Investigated officials per capita (t-1) × Ability	-0.017*** (0.006)	-0.018*** (0.006)	-0.018*** (0.006)	-0.020*** (0.004)	-0.024*** (0.007)	-0.024*** (0.007)
Investigated officials per capita (t-1)	0.015 (0.021)	0.013 (0.019)	0.012 (0.017)	-0.007 (0.019)	-0.027* (0.016)	-0.025 (0.017)
Ability	0.520*** (0.172)	0.602*** (0.201)	0.604*** (0.203)	0.640*** (0.178)	0.755*** (0.283)	0.752*** (0.286)
Age		0.032 (0.047)	0.032 (0.047)		0.107** (0.045)	0.107** (0.045)
Male		0.604*** (0.137)	0.603*** (0.137)		0.028 (0.209)	0.028 (0.208)
Party member		0.439*** (0.150)	0.439*** (0.150)		0.509*** (0.192)	0.510*** (0.189)
Rural Hukou		-0.058 (0.113)	-0.059 (0.113)		-0.191** (0.089)	-0.191** (0.090)
Elite college		-0.883* (0.531)	-0.884* (0.533)		-0.147 (0.415)	-0.147 (0.414)
College grade rank		0.022 (0.055)	0.022 (0.055)		-0.116** (0.052)	-0.117** (0.052)
Social science major		0.722*** (0.174)	0.722*** (0.174)		0.875*** (0.245)	0.875*** (0.245)
Parent education		0.055 (0.176)	0.055 (0.176)		0.221* (0.130)	0.222* (0.128)
Parent party member		0.487*** (0.121)	0.485*** (0.121)		0.610*** (0.173)	0.611*** (0.174)
Parent income (logged)		-0.010 (0.019)	-0.010 (0.018)		0.013 (0.020)	0.013 (0.020)
Political connection		0.484* (0.264)	0.484* (0.264)		0.232 (0.195)	0.232 (0.196)
GDP per capita (logged) (t-1)			-0.208 (0.936)			0.297 (1.673)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
N	9315	6012	6012	9456	5739	5739
Pseudo R <sup>2</sup>	0.105	0.178	0.178	0.081	0.148	0.148

Notes: The analysis only includes respondents whose ability lies within the range of -3 and 3. Robust standard errors clustered at college level are in parentheses. Estimates of constant are not reported. All regressions are weighted to represent the population. \* p < 0.1; \*\* p < 0.05; \*\*\* p < 0.01.

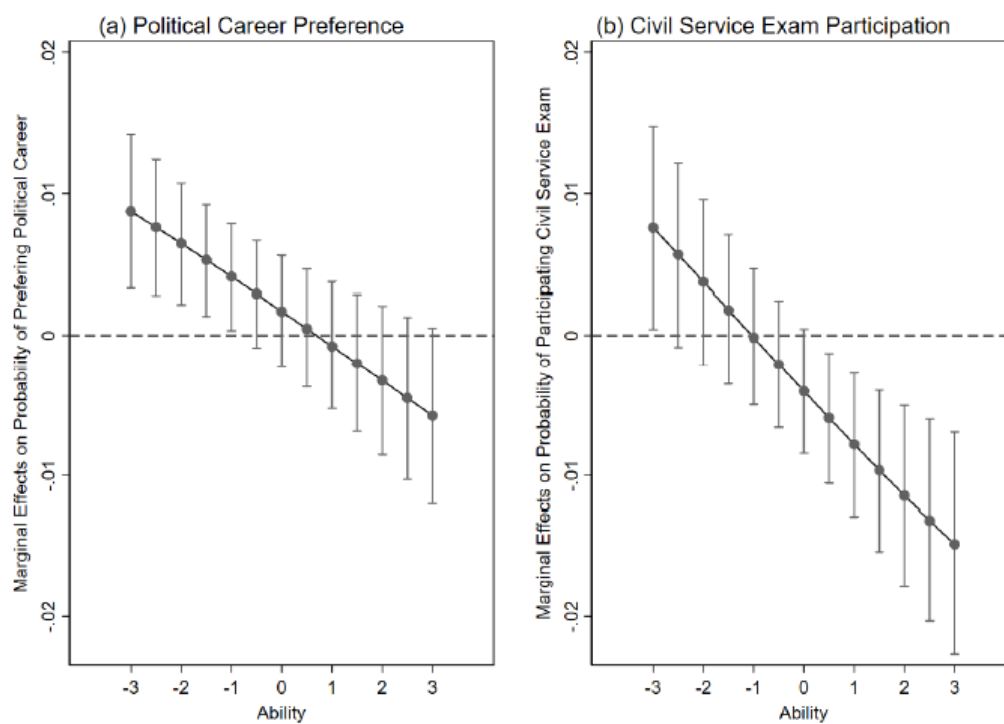


Figure C4: Marginal Effect With Smaller Ability Range [-3,3]

Notes: The left figure (a) uses the estimated results in column (3) in Table C3. The right figure (b) adopts the estimated results in column (6) in Table C3. The two figures plot the marginal effect of corruption monitoring across various level of ability and indicate the 90% confidence intervals of the marginal effects.



### **B.3 Robustness Check: With More Macro Controls**

Many macro covariants may shape the political corruption and the the supply of politicians at the same time. I added more controls including natural resources, real estate development, road construction and private economy. The following table presents the main results. Specifically, Oil refers to the estimated oil reserves (10,000 ton), coal refers to the coal reserves (10,000 ton), Mineral refers to the total reserves of iron, manganese, titanium ore, chromium ore and vanadium (10,000 ton). Road is the road density, which equals to the annual new roads divided by land area in each province. Proportion of private employment is the number of employees in private sector divided by total employees. All the provincial variables were collected from China Statistical Yearbook.

Table C4: Robustness Check: Replicate Main Results with More Covariants

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Government career preference				Civil service exam			
Investigated officials per capita (t-1) $\times$ Ability	-0.014** (0.006)	-0.015** (0.007)	-0.015** (0.007)	-0.013** (0.007)	-0.023*** (0.006)	-0.023*** (0.006)	-0.023*** (0.006)	-0.022*** (0.006)
Investigated officials per capita (t-1)	0.022 (0.016)	0.009 (0.014)	0.011 (0.014)	0.027** (0.013)	-0.035* (0.020)	-0.045** (0.021)	-0.037* (0.021)	-0.030 (0.020)
Ability	0.457** (0.198)	0.489** (0.216)	0.493** (0.215)	0.454** (0.214)	0.727*** (0.218)	0.738*** (0.221)	0.747*** (0.218)	0.702*** (0.213)
GDP per capita (logged) (t-1)	0.613 (1.160)	0.903 (1.255)	0.891 (1.262)	1.713 (1.115)	2.206* (1.195)	2.548** (1.237)	2.170* (1.145)	2.813** (1.223)
Oil (logged) (t-1)	0.090 (0.255)	0.152 (0.256)	0.167 (0.247)	0.142 (0.232)	-0.292 (0.211)	-0.223 (0.220)	-0.137 (0.206)	-0.155 (0.201)
Coal (logged) (t-1)	0.815*** (0.307)	0.662** (0.271)	0.709*** (0.259)	1.069*** (0.256)	1.249** (0.583)	1.093** (0.529)	1.366*** (0.477)	1.624*** (0.500)
Minerals (logged) (t-1)	-0.560 (0.436)	-0.264 (0.385)	-0.271 (0.378)	-0.052 (0.383)	-0.260 (0.360)	-0.029 (0.316)	-0.108 (0.282)	0.061 (0.261)
Real Estate Value Added (logged) (t-1)		-1.497** (0.693)	-1.511** (0.684)	-1.270* (0.688)		-1.343* (0.810)	-1.465* (0.798)	-1.506* (0.786)
Road (t-1)			-1.960 (3.168)	0.003 (3.224)			-10.347*** (3.827)	-8.413** (3.615)
Proportion of Private Employment (t-1)				-2.431*** (0.371)				-1.853*** (0.603)
Controls	Y	Y	Y	Y	Y	Y	Y	Y
Year dummies	Y	Y	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y	Y	Y
<i>N</i>	5925	5925	5925	5925	5635	5635	5635	5635
Pseudo <i>R</i> <sup>2</sup>	0.176	0.178	0.178	0.185	0.149	0.150	0.153	0.158

Notes: Robust standard errors clustered at college level are in parentheses. Due to space limit, constants are not reported. Models have the same controls with Column (3) in Table 4.2. Controls include all individual characteristics. All regressions are weighted to represent the population. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

#### **B.4 Robustness Check: Instrument Variable Method**

There are several reasons why Britain leased territory is a proper instrument variable. First, Britain leased territory is related to the constraint of executive power. Scholars point out that colonization by Europeans may compel countries to adopt better political institutions for securing property rights and for protecting against “risk of expropriation” (Acemoglu, Johnson and Robinson 2001). Specifically, the British tradition imposed limits on government, established norms for the exercise of power, and generated procedures for the management of conflicts (Weiner 1987). In addition, areas with histories of British rule tend to be less corrupt (Treisman 2000).

After the Opium War in the late Qing dynasty, Britain established seven leased territories in China.<sup>33</sup> The establishment of British leased territory may have long-term consequences on the quality of local political institutions. But historical Britain leased territories are unlikely to be directly linked with individuals’ career preference.

Moreover, scholars widely use British leased territory as an instrumental variable for property rights protection or anti-corruption effort in China (e.g., Ang, Cheng and Wu 2014; Xu and Yano 2017). Following this line of research, I constructed a British leased territory dummy to instrument corruption monitoring. If a province has at least one historically British leased territory, the British leased territory dummy is equal to 1, otherwise it is 0.

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<sup>33</sup> The 7 leased territories are Shanghai, Tianjin, Guangzhou, Xiamen, Zhenjiang, Jiujiang, and Hankou.

Table C5: Robustness check: Instrument Variable Method

	(1)	(2)	(3)	(4)
	Government career preference		Civil service exam	
Panel A: Second Stage				
Investigated officials per capita (t-1) $\times$ Ability		-0.015** (0.006)		-0.026*** (0.006)
Investigated officials per capita (t-1)	-0.018 (0.018)	-0.040 (0.514)	-0.058*** (0.016)	0.768* (0.465)
Ability	0.002 (0.080)	0.489*** (0.183)	0.047 (0.089)	0.872*** (0.228)
Controls	Y	Y	Y	Y
Year dummies	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y
<i>N</i>	6078	6078	5813	5813
Pseudo <i>R</i> <sup>2</sup>	0.174	0.175	0.142	0.147
Panel B: First Stage				
Britain leased territory	42.904*** (4.370)	42.912*** (4.394)	42.904*** (4.370)	42.912*** (4.394)
Controls	Y	Y	Y	Y
Year dummies	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y

Notes: Robust standard errors clustered at college level are in parentheses. All regressions are weighted to represent the population. Estimates of constant are not reported. Due to space limit, controls are not reported. The first and second stage have the same controls with the column (3) in Table 1. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

### **B.5 Robustness Check: Clustering at the Provincial Level**

In this section, I replicate the main results by clustering standard errors at provincial level, and draw consistent conclusions. Specifically, Table C6 replicates Table 4.1 by controlling provincial fixed effect and clustering standard errors at provincial level. The results indicate that corruption investigation has no significant effect on individuals' willingness and efforts to work in governments, which are consistent with those in Table 4.1.

Table C7 replicates Table 4.2 by controlling provincial fixed effect and clustering standard errors at provincial level. Columns (1)-(3) show that corruption investigation significantly reduces capable young elites' willingness to work in governments at 1% level. Columns (4)-(6) confirm that corruption investigation significantly pushes capable young elites away from seeking government positions at 1% level. Table C7 presents consistent results with Table 4.2. In Table C7, the coefficients for interaction term (corruption investigation and ability) are all significant at 1% level. However, in Table 4.2, not all coefficients for interaction term are significant at 1% level. The results in Table C7 is even stronger than those in Table 4.2.

Furthermore, Figure C5 demonstrates the marginal effect for interaction term at 95% confidence interval. (a) shows the marginal effects based on estimated results in column (3) in Table C7, and confirms that the chance of preferring a political career declines as individuals' ability increases. (b) shows the marginal effects with a smaller ability range ( $3 \geq \text{ability} \geq 3$ ). It shows that corruption monitoring only increases individuals' preference of government positions when their ability is comparative low ( $\text{ability} < -2$ ), the marginal effect declines and becomes insignificant as ability increases. Furthermore, (c) shows the marginal effects based on estimated results in column (6) in Table C7, and indicates that corruption investigation has a declining effect on individuals'

chance of taking civil service exams. (d) shows the marginal effects with a smaller ability range ( $3 \geq \text{ability} \geq 3$ ). It shows that corruption monitoring significantly reduces individuals' chance of taking civil service exam when their ability is comparatively high ( $\text{ability} > 1$ ). Figure C5 provides further evidences that corruption investigation may push capable young elites away from seeking government positions. The results are consistent with those in Figure 4.2 and Figure C4.

Table C8 replicates Table 4.3 by controlling provincial fixed effect and clustering standard errors at provincial level. Column (1) and (2) demonstrate that ability is significantly and positively linked with expected income at 5% level. In column (3) and (4), the results confirm that expected income significantly reduces individuals' chances of taking civil service exam at 1% level. In column (5) and (6), I use a subgroup analysis and only include individuals preferring a political careers, the estimated coefficient of ideal salary is negative and significant at 1% level. The magnitude of coefficients is more than two times larger than those in column (3) and (4). The results implies that individuals preferring a political career are more sensitive to the expected income change and less likely to take civil exam when expected income decreases. In general, Table C8 presents similar and consistent results with those in Table 3. Some estimated models present stronger results. For instance, in column (2) of Table C8, the coefficient of ability is significant at 5% level, while the coefficient of ability in column (2) in Table 4.3 is significant at 10% level.

Table C9 replicates Table 4.4 by controlling provincial fixed effect and clustering standard errors at provincial level. Column (1) shows that corruption investigation of government leaders after the anti-corruption campaign significantly reduces elite college students' chances of taking civil service exam at 5% level. After adding more controls in column (3), the coefficient remains significant at 10% level. In addition, column (4)

indicates that corruption investigation of government leaders after the anti-corruption campaign significantly reduces non-elite college students' chances of taking civil service exam at 10% level. However, after adding more controls in column (5) and (6), the significance disappears. The distinct results for elite and non-elite college students reveal corruption investigation of government leaders is more likely to reduce elite college students' likelihood to take civil service exam, which partly confirms the career prospect mechanism. Compared with results in Table 4.4, the significance of key variables decreases, yet the results are still consistent.

Table C6: Robustness Check: Clustering S.E. at Provincial Level for Table 4.1

	(1)	(2)	(3)	(4)	(5)	(6)
	Government career preference			Civil service exam		
Investigated officials per capita (t-1)	0.026 (0.022)	0.027 (0.026)	0.025 (0.026)	0.007 (0.021)	-0.013 (0.026)	-0.011 (0.028)
Ability		0.005 (0.048)	0.005 (0.048)		0.050 (0.075)	0.050 (0.075)
Age		0.031 (0.056)	0.032 (0.056)		0.111*** (0.038)	0.111*** (0.037)
Male		0.618*** (0.130)	0.616*** (0.131)		0.040 (0.108)	0.041 (0.108)
Party member		0.442*** (0.134)	0.442*** (0.134)		0.472*** (0.113)	0.474*** (0.115)
Rural Hukou		-0.059 (0.090)	-0.060 (0.091)		-0.193* (0.099)	-0.192** (0.097)
Elite college		-0.859*** (0.333)	-0.861** (0.335)		-0.150 (0.234)	-0.150 (0.231)
College grade rank		0.019 (0.058)	0.019 (0.059)		-0.091** (0.044)	-0.092** (0.044)
Social science major		0.724*** (0.136)	0.725*** (0.137)		0.879*** (0.182)	0.878*** (0.183)
Parent education		0.091 (0.200)	0.091 (0.200)		0.215 (0.214)	0.217 (0.210)
Parent party member		0.479*** (0.125)	0.478*** (0.121)		0.615*** (0.145)	0.616*** (0.146)
Parent income (logged)		-0.004 (0.022)	-0.004 (0.022)		0.027 (0.025)	0.027 (0.024)
Political connection		0.467 (0.295)	0.467 (0.296)		0.238 (0.207)	0.238 (0.207)
GDP per capita (logged) (t-1)			-0.307 (1.396)			0.408 (1.982)
N	10537	6078	6078	10572	5813	5813
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y

Notes: Robust standard errors clustered at provincial level are in parentheses. Estimates of constant are not reported. All regressions are weighted to represent the population. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .



Table C7: Robustness Check: Clustering S.E. at Provincial Level for Table 4.2

	(1)	(2)	(3)	(4)	(5)	(6)
	Government career preference			Civil service exam		
Investigated officials per capita (t-1) $\times$ Ability	-0.012** (0.003)	-0.015*** (0.005)	-0.015*** (0.005)	-0.020*** (0.004)	-0.024*** (0.007)	-0.024*** (0.007)
Investigated officials per capita (t-1)	0.019 (0.022)	0.016 (0.028)	0.015 (0.028)	-0.007 (0.021)	-0.024 (0.026)	-0.022 (0.027)
Ability	0.374*** (0.119)	0.490*** (0.177)	0.493*** (0.181)	0.640*** (0.170)	0.756*** (0.225)	0.754*** (0.222)
Age		0.031 (0.055)	0.031 (0.056)		0.116*** (0.036)	0.116*** (0.036)
Male		0.623*** (0.130)	0.621*** (0.131)		0.041 (0.110)	0.042 (0.110)
Party member		0.444*** (0.136)	0.443*** (0.136)		0.487*** (0.114)	0.488*** (0.116)
Rural Hukou		-0.050 (0.091)	-0.051 (0.091)		-0.180* (0.096)	-0.179* (0.094)
Elite college		-0.873*** (0.329)	-0.875*** (0.332)		-0.152 (0.229)	-0.152 (0.226)
College grade rank		0.018 (0.058)	0.017 (0.058)		-0.096** (0.043)	-0.096** (0.043)
Social science major		0.716*** (0.135)	0.717*** (0.135)		0.871*** (0.177)	0.871*** (0.177)
Parent education		0.089 (0.202)	0.089 (0.202)		0.220 (0.212)	0.222 (0.209)
Parent party member		0.481*** (0.124)	0.479*** (0.120)		0.623*** (0.142)	0.624*** (0.144)
Parent income (logged)		-0.004 (0.022)	-0.004 (0.022)		0.027 (0.024)	0.027 (0.024)
Political connection		0.464 (0.292)	0.464 (0.293)		0.213 (0.211)	0.213 (0.211)
GDP per capita (logged) (t-1)			-0.386 (1.404)			0.340 (1.989)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
<i>N</i>	9432	6078	6078	9456	5813	5813
pseudo <i>R</i> <sup>2</sup>	0.102	0.175	0.175	0.081	0.146	0.146

Notes: Robust standard errors clustered at provincial level are in parentheses. Estimates of constant are not reported. All regressions are weighted to represent the population. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

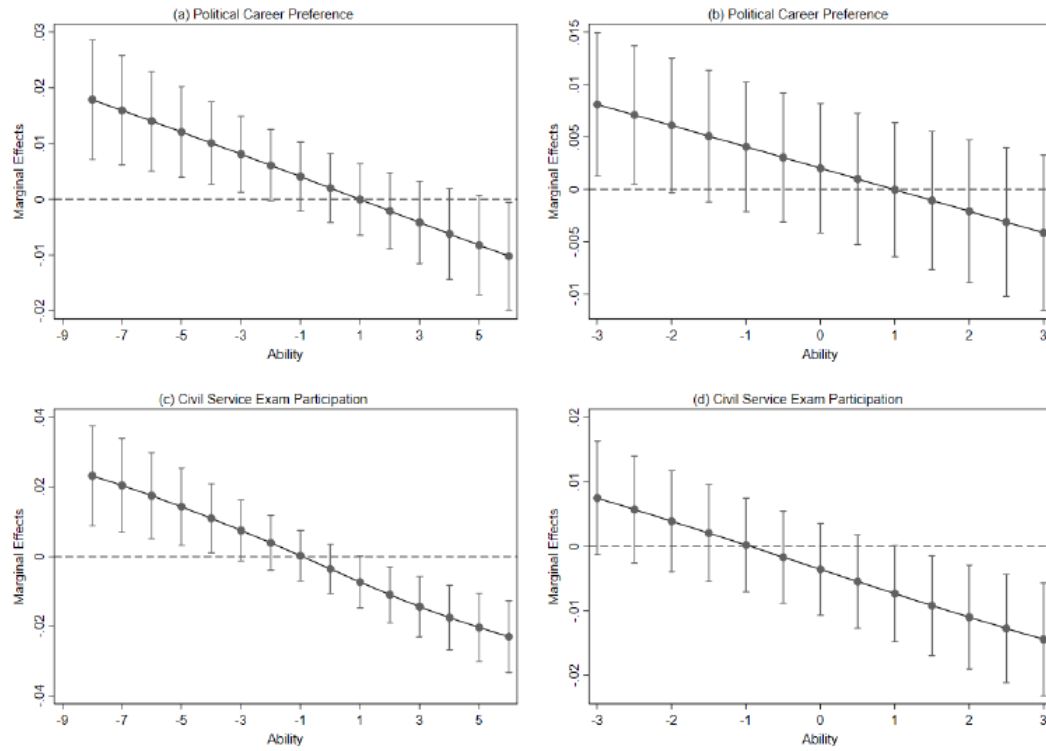


Figure C5: Marginal Effect Using Clustering S.E. at Provincial level

Table C8: Robustness Check: Clustering S.E. at Provincial Level for Table 4.3

	(1)	(2)	(3)	(4)	(5)	(6)
	DV: Ideal Salary		DV: Civil service exam			
			Full sample		Prefer government career	
Ideal salary (logged)			-0.181*** (0.057)	-0.274*** (0.093)	-0.408*** (0.135)	-0.717*** (0.224)
Ability	0.051** (0.021)	0.051** (0.021)		0.065 (0.076)		0.170 (0.127)
Age		-0.013 (0.013)		0.090** (0.039)		0.150* (0.089)
Male		0.340*** (0.032)		0.278*** (0.096)		0.742*** (0.272)
Party member		0.022 (0.029)		0.493*** (0.135)		0.641** (0.253)
Rural Hukou		-0.011 (0.031)		-0.175* (0.105)		-0.737*** (0.255)
Elite college		0.108*** (0.032)		-0.138 (0.264)		-0.333 (0.411)
College grade rank		0.045*** (0.015)		-0.101* (0.058)		-0.187* (0.104)
Social science major		0.024 (0.032)		1.009*** (0.196)		1.068*** (0.256)
Parent education		0.011 (0.037)		0.124 (0.218)		0.300 (0.428)
Parent party member		0.058** (0.028)		0.720*** (0.128)		0.822*** (0.261)
Parent income (logged)		0.011 (0.008)		0.012 (0.025)		0.023 (0.061)
Political connection		-0.014 (0.062)		0.251 (0.251)		0.301 (0.514)
GDP per capita (logged) (t-1)		-0.567 (0.452)		1.158 (1.881)		0.826 (2.792)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
N	9272	5891	8886	5010	1415	821

Notes: Robust standard errors clustered at provincial level are in parentheses. Estimates of constant are not reported. All regressions are weighted to represent the population.\*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

Table C9: Robustness Check: Clustering S.E. at Provincial Level for Table 4.4

	(1)	(2)	(3)	(4)	(5)	(6)
DV: Participate civil service exam	Elite College			Non-elite college		
Investigated leaders (t-1) $\times$ Post	-0.004** (0.002)	-0.007** (0.003)	-0.005* (0.003)	-0.005* (0.003)	-0.004 (0.004)	-0.004 (0.004)
Investigated leaders (t-1)	-0.001 (0.001)	0.001 (0.002)	0.002 (0.002)	0.000 (0.003)	0.001 (0.003)	0.001 (0.003)
Post	0.417 (0.276)	0.829** (0.373)	-0.986 (0.967)	0.936** (0.388)	0.696 (0.550)	1.109 (1.257)
Age		0.162*** (0.057)	0.158*** (0.057)		0.102** (0.046)	0.102** (0.046)
Male		-0.551*** (0.115)	-0.543*** (0.115)		0.063 (0.102)	0.061 (0.102)
Party member		0.437*** (0.143)	0.429*** (0.144)		0.476*** (0.130)	0.474*** (0.130)
Rural Hukou		-0.352*** (0.130)	-0.350*** (0.130)		-0.218** (0.100)	-0.220** (0.096)
College grade rank		-0.076 (0.056)	-0.074 (0.056)		-0.089* (0.051)	-0.089* (0.050)
Social science major		0.862*** (0.122)	0.873*** (0.123)		0.887*** (0.186)	0.888*** (0.186)
Parent education		-0.097 (0.189)	-0.089 (0.189)		0.325 (0.222)	0.319 (0.213)
Parent party member		0.257* (0.132)	0.260** (0.132)		0.577*** (0.160)	0.576*** (0.160)
Parent income (logged)		-0.011 (0.027)	-0.011 (0.027)		0.032 (0.021)	0.033 (0.022)
Political connection		0.261 (0.215)	0.256 (0.215)		0.190 (0.217)	0.189 (0.217)
GDP per capita (logged) (t-1)			2.331** (1.159)			-0.564 (1.808)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
N	3711	2285	2285	6800	3888	3888

Notes: Robust standard errors clustered at provincial level are in parentheses. Estimates of constant are not reported. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

## C Mechanism

### C.1 Mechanism: Economic Return

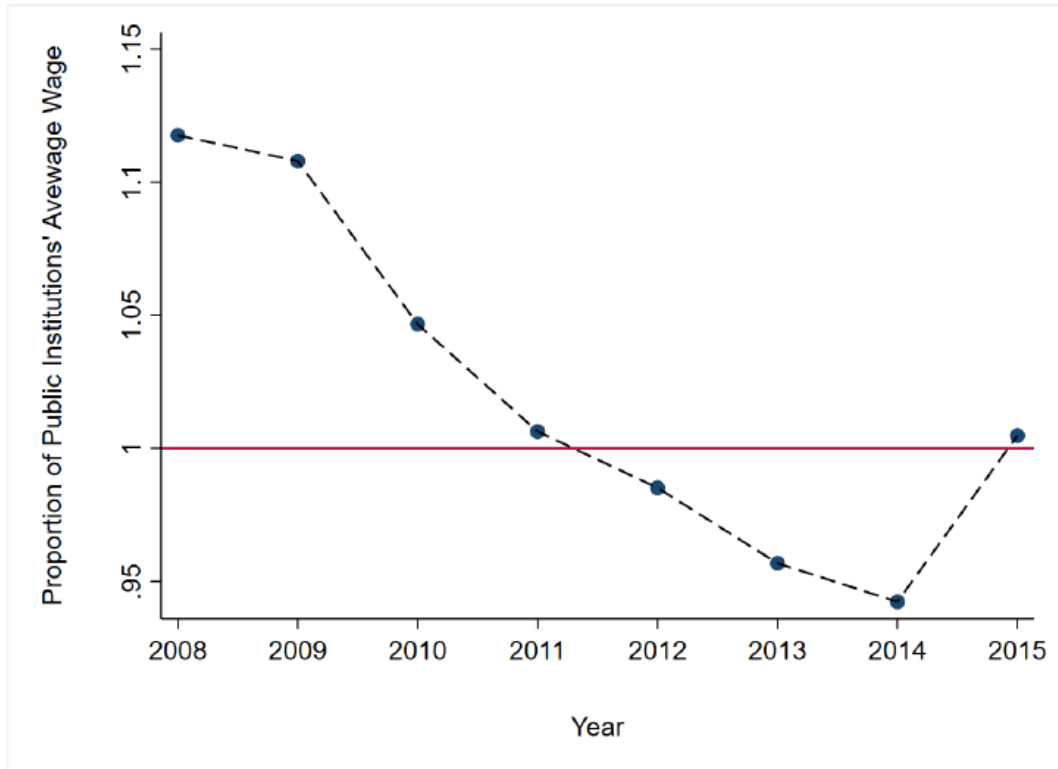


Figure C6: The Proportion of Average Wage in Public Sectors to Total Average Wage

Notes: The data in this figure is collected from the *China Labour Statistical Yearbook*. Average wage in public sectors refers to the average wage in the sector of public management and social organizations in the yearbook.

Table C10: Mechanism: Economic Return (Subgroup Analysis of Wage Ratio)

	(1)	(2)	(3)	(4)	(5)	(6)
	DV: Government career preference			DV: Civil service exam		
	All	Low	High	All	Low	High
Investigated officials per capita (t-1) × Ability	-0.015** (0.006)	-0.018** (0.009)	-0.011 (0.010)	-0.024*** (0.006)	-0.030*** (0.005)	-0.010 (0.010)
Investigated officials per capita (t-1)	0.015 (0.017)	-0.019 (0.049)	0.019 (0.054)	-0.022 (0.016)	-0.017 (0.052)	-0.082 (0.056)
Ability	0.493*** (0.188)	0.603* (0.327)	0.346 (0.343)	0.754*** (0.232)	0.921*** (0.214)	0.334 (0.349)
Age	0.031 (0.048)	0.102** (0.051)	-0.024 (0.077)	0.116*** (0.043)	0.075 (0.067)	0.116* (0.066)
Male	0.621*** (0.135)	1.011*** (0.363)	0.351*** (0.103)	0.042 (0.209)	0.175 (0.309)	-0.015 (0.197)
Party member	0.443*** (0.148)	0.307* (0.179)	0.580*** (0.156)	0.488*** (0.181)	0.364* (0.203)	0.518** (0.239)
Rural Hukou	-0.051 (0.119)	-0.201 (0.140)	0.063 (0.174)	-0.179** (0.083)	-0.103 (0.076)	-0.182 (0.136)
Elite college	-0.875* (0.523)	-0.613 (0.606)	-1.065* (0.584)	-0.152 (0.410)	-0.002 (0.485)	-0.301 (0.421)
College grade rank	0.017 (0.055)	0.005 (0.062)	0.044 (0.080)	-0.096* (0.052)	-0.075 (0.055)	-0.096 (0.067)
Social science major	0.717*** (0.180)	0.850*** (0.207)	0.683*** (0.199)	0.871*** (0.243)	0.843** (0.371)	0.960*** (0.228)
Parent education	0.089 (0.179)	0.018 (0.322)	0.130 (0.167)	0.222* (0.124)	-0.102 (0.202)	0.609*** (0.172)
Parent party member	0.479*** (0.117)	0.508*** (0.096)	0.461*** (0.147)	0.624*** (0.173)	0.649*** (0.196)	0.657*** (0.225)
Parent income (logged)	-0.004 (0.018)	0.008 (0.037)	-0.012 (0.022)	0.027 (0.023)	0.038** (0.018)	0.030 (0.036)
Political connection	0.464* (0.261)	0.889*** (0.294)	0.164 (0.279)	0.213 (0.191)	0.030 (0.189)	0.446* (0.231)
GDP per capita (logged) (t-1)	-0.386 (0.923)	-0.679 (2.199)	1.589 (2.147)	0.340 (1.633)	-0.967 (2.855)	5.843*** (1.151)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
N	6078	2680	3390	5813	2363	3429
Pseudo R <sup>2</sup>	0.175	0.146	0.214	0.146	0.150	0.163

Notes: Robust standard errors clustered at college level are in parentheses. Estimates of constant are not reported. All regressions are weighted to represent the population. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

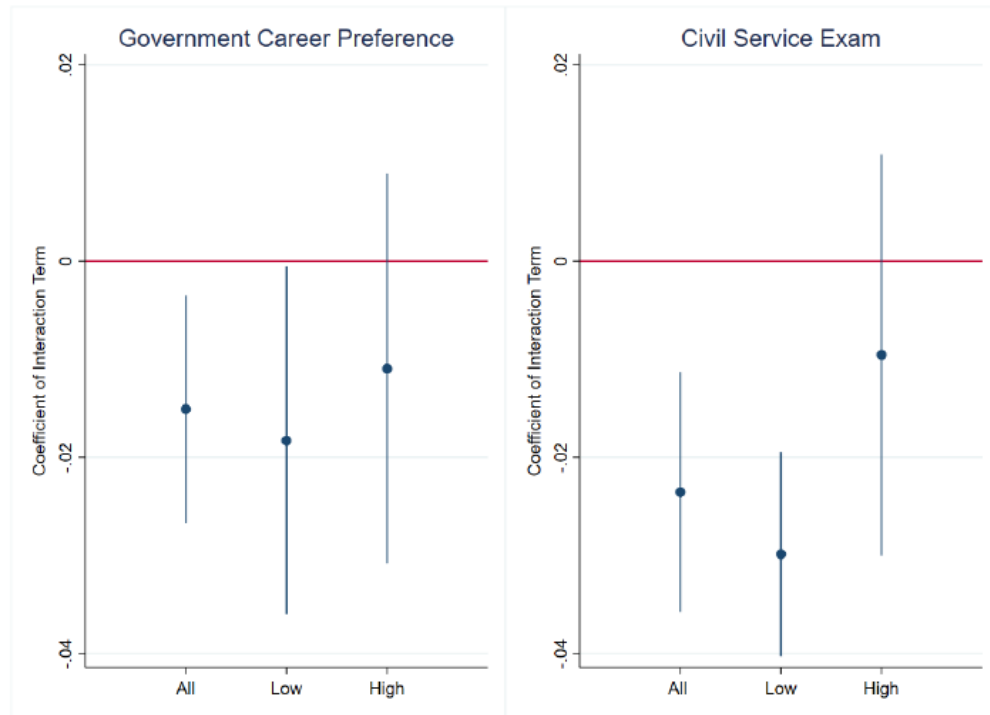


Figure C7: Comparing the Coefficients of Interaction Terms in Table C10

## C.2 Mechanism: Career Prospect

Table C11: Mechanism II: Career Mobility Expectation (Investigation of Government Officials)

	(1)	(2)	(3)	(4)	(5)	(6)
DV: Participate civil service exam	Elite College			Non-elite college		
Investigated officials per capita (t-1) $\times$ Post	-0.037*** (0.014)	-0.024 (0.017)	-0.021 (0.015)	0.029** (0.013)	0.025** (0.013)	0.026** (0.013)
Investigated officials per capita (t-1)	0.008 (0.020)	0.018 (0.024)	0.039* (0.023)	-0.018 (0.015)	-0.035** (0.015)	-0.033** (0.015)
Post	0.981 (0.639)	0.673 (0.722)	-1.362* (0.828)	-0.631 (0.758)	-0.705 (0.722)	-1.077 (1.257)
Age		0.156*** (0.052)	0.154*** (0.051)		0.102*** (0.033)	0.102*** (0.033)
Male		-0.554*** (0.105)	-0.547*** (0.107)		-0.013 (0.196)	-0.011 (0.195)
Parent party member		0.439** (0.196)	0.430** (0.196)		0.524*** (0.169)	0.526*** (0.168)
Rural Hukou		-0.346*** (0.109)	-0.342*** (0.106)		-0.249*** (0.076)	-0.246*** (0.078)
College grade rank		-0.072 (0.050)	-0.068 (0.050)		-0.079 (0.054)	-0.078 (0.054)
Social science major		0.857*** (0.115)	0.863*** (0.114)		0.835*** (0.191)	0.834*** (0.192)
Parent education		-0.108 (0.208)	-0.095 (0.209)		0.143 (0.125)	0.147 (0.123)
Parent party member		0.287** (0.140)	0.290** (0.138)		0.525*** (0.136)	0.527*** (0.139)
Parent income (logged)		-0.015 (0.025)	-0.015 (0.026)		0.024 (0.021)	0.024 (0.021)
Political connection		0.256 (0.256)	0.246 (0.257)		0.207 (0.162)	0.206 (0.164)
GDP per capita (logged) (t-1)			2.957*** (0.973)			0.538 (1.606)
Year dummies	Y	Y	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y	Y	Y
N	3744	2305	2305	6828	3906	3906
Pseudo $R^2$	0.084	0.139	0.142	0.058	0.116	0.116

Notes: Robust standard errors clustered at college level are in parentheses. Estimates of constant are not reported. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .



Table C12: Mechanism II: Career Mobility Expectation (Subgroup analysis of Private Economy)

	(1)	(2)	(3)	(4)
	DV: Government Career Preference		DV: Civil Service Exam	
	Low	High	Low	High
Investigated officials per capita (t-1) $\times$ Ability	-0.021 (0.014)	-0.013 (0.008)	-0.016** (0.007)	-0.035*** (0.011)
Investigated officials per capita (t-1)	-0.010 (0.031)	0.041 (0.040)	-0.041 (0.036)	-0.058 (0.051)
Ability	0.674 (0.486)	0.406* (0.246)	0.500* (0.261)	1.127*** (0.347)
Age	-0.014 (0.042)	0.060 (0.066)	0.069 (0.059)	0.162*** (0.055)
Male	0.705** (0.298)	0.559*** (0.086)	-0.067 (0.249)	0.140 (0.171)
Party member	0.505*** (0.191)	0.410* (0.210)	0.674*** (0.241)	0.324 (0.211)
Rural Hukou	-0.119 (0.139)	-0.012 (0.169)	0.046 (0.112)	-0.364** (0.158)
Elite College	-0.694 (0.552)	-0.949 (0.602)	0.048 (0.496)	-0.186 (0.427)
College grade rank	-0.101 (0.071)	0.089 (0.068)	-0.148** (0.069)	-0.053 (0.070)
Social science major	0.611** (0.263)	0.773*** (0.172)	0.530** (0.264)	1.192*** (0.269)
Parent education	0.440 (0.386)	-0.084 (0.156)	0.700** (0.273)	-0.120 (0.163)
Parent party member	0.459*** (0.132)	0.517*** (0.158)	0.311* (0.170)	0.874*** (0.246)
Parent income (logged)	-0.030 (0.034)	0.003 (0.018)	0.066* (0.035)	0.004 (0.038)
Political connection	0.843** (0.416)	0.204 (0.290)	0.373 (0.257)	0.109 (0.320)
GDP per capita (logged) (t-1)	-2.377 (2.282)	1.649 (1.976)	-4.425* (2.490)	7.233*** (1.476)
Year dummies	Y	Y	Y	Y
Province dummies	Y	Y	Y	Y
N	2627	3444	2721	3075
pseudo $R^2$	0.128	0.196	0.122	0.188

Notes: Robust standard errors clustered at college level are in parentheses. Estimates of constant are not reported. All regressions are weighted to represent the population. \*  $p < 0.1$ ; \*\*  $p < 0.05$ ; \*\*\*  $p < 0.01$ .

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